



Daily Report

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Daily Report

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General

Chen Yuan Warns Against Economic Optimism

Urges 'Concrete Measures'

OW2704175192 Beijing XINHUA in English
1646 GMT 27 Apr 92

[Text] Washington, April 27 (XINHUA)—A senior Chinese official cautioned today against over-optimism about world economic growth prospects in 1992 and called on major industrial countries to take concrete measures to tackle structural problems in their economies.

Addressing the meeting of the interim committee of the International Monetary Fund here, Chen Yuan, deputy governor of the People's Bank of China, said that there has been no fundamental turnaround in the world economic situation since the last spring meetings of the IMF and World Bank.

Particularly discouraging was the fact that in 1991 the world economy experienced its first negative growth rate since World War II and that the growth of world trade has continued to decline.

According to the IMF, the global economy contracted 0.3 percent in 1991 and was projected to rise only 1.4 percent this year. Industrial countries are expected to have 1.8 percent growth this year, while the growth rate of developing countries is projected at 6.7 percent.

While major industries remain in recession, the economic slowdown in Japan and Germany is accelerating, Chen Yuan told the meeting. "Against this background, one should not be too optimistic about growth prospects for the world economy in 1992," he added.

He attributed the protracted recession primarily to the gradual departure of major industrial nations in recent years from their medium-term strategy of economic stabilization and growth and to deteriorating structural problems.

This has resulted in the failure to bring down the huge budget deficit and has also placed severe restraints on the already-low level of savings in the industrial countries.

"Furthermore, the excessive burden of private as well as public debt has started to weaken the effectiveness of short-term economic instruments," he said.

He urged the major industrial countries to take concrete measures to address these structural impediments.

"Any immediate efforts to stimulate economic recovery should not be made at the expense of the medium-term objective of economic stabilization and growth," he said, "rather, the formulation of fiscal and monetary policies should again be consistent with the medium-term strategy of stabilization and growth."

On growth prospects for developing countries, Chen said many of them have achieved progress in resuming growth through strenuous adjustment efforts, and with the help of the international community. Nevertheless, growth performance has been extremely imbalanced.

"Today, the world economy is becoming increasingly interdependent and developing countries have substantially opened their economies," he told the meeting.

"As the latter two aspects are closely related," he said, "we note with grave concern that trade protectionism would be intensified by the current recession, thus thwarting the continuous efforts of developing countries to adjust and open their economies."

He said the former Soviet republics are expected to join the IMF. It is anticipated that IMF's resources will be severely challenged by the forthcoming new demands of these republics as well as by the existing demands of developing countries.

Chen said he hoped that the IMF will take into full account the financing requirements of developing countries as a whole.

Views Integration With World Economy

OW2704175592 Beijing XINHUA in English
1649 GMT 27 Apr 92

[Text] Washington, April 27 (XINHUA)—A senior Chinese official said here today China's economy will become more integrated with the world economy, with the deepening of its reform and opening to the rest of the world.

Chen Yuan, deputy governor of China's central bank, the People's Bank of China, made this remark in a speech at a meeting of the interim committee of the International Monetary Fund.

According to Chen, priorities for economic reform in China over the next few years are: to continue pursuing state enterprise reform and expand share-holding experiments to permit enterprises to operate under a market mechanism; speed up the establishment of a social security system, as well as deepen reforms for housing, medical care and employment, all of which will perfect the operation of the market mechanism and will create the necessary conditions for state enterprise reform.

In the area of macroeconomic management, he said, the transition to indirect policy instruments will be accelerated so that China's economy will be regulated through market forces.

"Meanwhile, efforts will continue to reform the exchange and trade management systems, with particular stress on the unification of the dual exchange rates," Chen told the meeting.

Moreover, emphasis will be placed on expanding economic and trade cooperation, increasing financial openness and attracting foreign financial resources.

Chen said, "I am confident that the success of China's economic reforms will contribute greatly to the development of the world economy and of mankind."

Beijing To 'Readjust' GATT Membership Policies

HK2704153592 Hong Kong CHING CHI JIH PAO
in Chinese 15 Apr p 10

[Special Dispatch by Wang Mannuo (3769 2581 1226): "China To Readjust Import Measures With View To Acceding to GATT at Early Date"]

[Text] Ye Lingyun, director of the Ministry of Foreign Economic Relations and Trade Import and Export Department, said in Guangzhou yesterday: To further reforms in the management of foreign economic relations and trade in order to join the GATT at an early date, China will readjust its import-management measures by economic means in the future, including gradually reducing administrative procedures for granting import licenses and lifting restrictions on import licenses as well as adjusting tariffs and exchange rates downwards.

Ye Lingyun added: China has consistently cherished the hope of acceding to GATT at an early date, but that depends on the results of negotiations between China and the United States and the EC. China has made all necessary preparations, including reforms of the import-management system and of the managerial structure of foreign trade, to conform to international standards. Therefore, China is willing to solve problems relating to imports first and then deal with relevant domestic issues. Up to now China has reduced tariffs on more than 250 items and reduce two-thirds of restrictions on import licenses.

When addressing China's 1992 import trade, Yu Lingyun said: In 1991, China's gross import value increased by 19 percent, but in the first quarter of this year the import value increased by about 30 percent. In the future, China will buy foreign goods and choose product varieties and producers in light of domestic production, construction, markets, and people's demands. However, China will not adopt discriminatory policies for imports from any country.

He said: As Hong Kong enjoys geographical advantages, bilateral trade between China and Hong Kong has reached \$50 billion, of which 80 percent resulted from China's entrepot trade through Hong Kong. China will continue to carry out entrepot trade through Hong Kong in the future.

Qian Qichen Meets UN General Assembly President

OW2704170592 Beijing XINHUA in English
1519 GMT 27 Apr 92

[Text] Beijing, April 27 (XINHUA)—Chinese State Councillor Qian Qichen expressed hope today that the

United Nations will place more importance on the voice of the world's smaller countries.

Qian, who also serves as China's foreign minister, told Samir al-Shihabi, president of the 46th United Nations General Assembly, that as an international forum the UN should do more to reflect the interests of the overwhelming majority of countries. Some 175 countries are now members of the UN.

Qian noted that in line with the current rapidly changing international situation, the world is moving towards multipolarization. He said that all countries hope the UN, an organization which cannot be replaced by any other international organization, will play a more positive role.

"China will continue to support the UN in its efforts to safeguard world peace and promote economic development in various countries," according to Qian.

Explaining China's independent foreign policy of peace, Qian said that China's goal is to safeguard world peace and develop cooperation with other countries.

Al-Shihabi said that his current visit to China, and the recent visit by UN Secretary General Butrus Butrus-Ghali, show that the UN attaches great importance to China's role in the organization. Al-Shihabi said he expects that China, a member of the UN Security Council and the world's largest developing country, will do even more in promoting world peace and development.

Envoy Proposes Nuclear Disarmament Measures

OW2704224292 Beijing XINHUA in English
2215 GMT 27 Apr 92

[Text] United Nations, April 27 (XINHUA)—China has proposed at the U.N. ten measures and six essential conditions for the acceleration of the nuclear disarmament.

Contained in a working paper which was submitted to the U.N. Disarmament Commission today, these measures include the convention of a broadly representative international conference on nuclear disarmament with the participation of all nuclear-weapon states when the countries with the largest nuclear arsenals have realized the drastic reduction of their nuclear weapons.

Among other measures, the working paper puts forward the principles for countries with the largest nuclear arsenals to reduce and destroy these weapons; the prohibition of nuclear testing; the effective measure for prevention of nuclear war; the withdrawal of all nuclear weapons deployed abroad by nuclear-weapon states; the halting of the arms race in outer space and the development of space weapons; the prevention of nuclear proliferation; the establishment of nuclear-weapon-free zones; conventional disarmament; and naval nuclear disarmament.

The working paper also proposes that all nuclear-weapon states should take the commitments not to be the first to use nuclear weapons at any time and under any circumstances and not to use or threaten to use nuclear weapons against non-nuclear-weapon states and nuclear-weapon-free zones.

As to the essential conditions for the acceleration of the nuclear disarmament, the working paper emphatically points out that the creation of a peaceful and stable international environment is conducive to the realization of effective nuclear disarmament. Therefore, the working paper calls on all countries to respect each other's sovereignty, treat each other on an equal footing, mutually respect each other's territorial integrity, not to interfere in other's internal affairs and settle disputes through peaceful means.

Introducing the working paper today at the meeting of the disarmament commission, Hou Zhitong, Chinese ambassador in charge of disarmament affairs, said that the working paper aims at actively promoting the consideration of nuclear disarmament and accelerating the process of nuclear disarmament.

He hoped the working paper would be earnestly considered and said that China, in the spirit of constructive cooperation, will earnestly consider all proposals and suggestions together with other countries.

The working paper was distributed here today as a U.N. document.

Symposium on Intellectual Property Rights

HK2804073292 Beijing RENMIN RIBAO
in Chinese 14 Apr 92 p 4

[Dispatch by reporter Zhang Zhiye (1728 1807 2814):
"China Holds International Symposium on Intellectual
Property Rights"]

[Text] Beijing, 12 Apr (RENMIN RIBAO)—An international symposium on international property rights, the largest China has ever held, began in Beijing today. Over 360 lawyers and scholars in intellectual property rights, government officials, and representatives of international organizations from over 40 countries and regions are gathered with over 60 of their Chinese counterparts to discuss legal questions of common concern regarding the protection of intellectual property rights and explore further promoting exchanges and cooperation in this field between China and countries around the world.

This year is exactly the 10th anniversary of the Chinese chapter of the International Association for the Protection of Industrial Property (AIPPI). In his speech, Ren Jianxin, president of the Supreme People's Court and chairman of the Chinese AIPPI, welcomed the representatives from various countries. He maintained that the meeting was held at a time when China's intellectual

property rights system was improving daily; and, especially when China's Intellectual Property Rights Protection Law was basically sound and as China has become an important member of the international community for the protection of intellectual property rights, this is of particular important significance.

Gao Lulin, director of the State Patent Bureau; Li Jizhong, director of the State Trademark Bureau; Shen Rengan, vice director of the State Copyright Bureau; Fei Zonghui, member of the Supreme People's Court Judicial Committee; and others briefed representatives of various countries on questions regarding the basic characteristics of China's current Patent Law, China's intention to revise the Trademark Law, China's current copyright protection, and relevant court procedures for trying similar cases. Various situations show that positive changes, which attract worldwide attention, are taking place in the protection of intellectual property rights in China. As of the end of 1991, the State Patent Bureau had handled 217,383 domestic and foreign patent applications, of which 16 percent were for foreign patents. In last year alone, the number of patent applications reached 50,000 for the first time, 3.47 times the number in 1985. In 1991, the State Trademark Bureau handled 67,601 applications for trademark registration, an 18-percent increase over the previous year. In recent years, China has continuously cracked a number of cases relating to the imitation and infringement of trademarks, and thus won favorable comments by intellectual property rights circles at home and abroad. Following the Copyright Law's promulgation, together with the regulations for its implementation, and the Regulations for the Protection of Computers, China is now actively formulating other supporting regulations.

In their speeches, Dr. (Hertz Gott) [0077 5412 7559 6671] of Germany; American lawyer Charlie Miller; and Satoshi Nakajima, representative of the Japanese-Sino Patent Exchange Institute, who have long been concerned about the development of China's intellectual property rights system, showed great interest in China continually strengthening its system for protecting intellectual property rights. As a foreigner who has acted as an agent for many patent applications, Dr. (Hertz Gott) maintained that China had not only rapidly and effectively brought into existence its patent system from nothingness but also established a patent agency system. He said that foreign patent agencies serve foreigners with their professional knowledge and with an abundance of experience, thus enabling China's Patent Law to possess a great deal of practicality. He said that China's joining the Madrid Agreement on the International Registration of Trademarks was a matter of great importance. He said that China's trademark system is a success and that the protection given by China's Trademark Law to trademark owners is obviously effective.

The two-day symposium is sponsored by the China AIPPI.

Editorial Lauds Success of ESCAP Session*HK2704035492 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Apr 92 p 1*

[Editorial: "Seize Opportunities, Meet Challenges, Create the Future—Hailing Complete Success of the 48th Session of UN Economic and Social Commission for Asia and the Pacific (ESCAP)"]

[Text] The 48th Session of the UN ESCAP concluded in Beijing yesterday. This session was aimed at improving understanding, promoting cooperation, and reaching common understanding; and was fruitful. It marks the Asian-Pacific countries' entry into a new stage of economic cooperation. The "Beijing Declaration" on promoting regional economic cooperation carried by the meeting will help facilitate the coordinated development and common prosperity of the region's economy, contribute to peace and stability in the region, and inject new vitality into the region's efforts to create a bright future. We would like to express our warm congratulations on the complete success of this ESCAP session.

Since ESCAP's predecessor, the Economic Commission for Asia and the Far East, was founded in Shanghai, China, in 1947, the Asian and Pacific region has experienced tremendous political and economic changes over the past 45 years. Today, the Asia-Pacific has become a region with relatively good political stability, the fastest economic growth, and the most vigorous momentum of development in the world. It is now playing an increasingly important role in world politics and economy. The economic relations within the Asia-Pacific have also shown an ever-expanding tendency. For a long time, ESCAP has made outstanding contributions to the region's economic development and common prosperity and cooperation among its member states. It has also lent a helping hand to China's economic development and the cause of reform and opening up.

Since the beginning of the 1990's, with the major changes in the international political and economic situation, the economic regionalization and grouping worldwide have accelerated, accompanied by an increase in trade protectionism. That the "Uruguay Round" of trade talks proceeded so slowly that it went on for five years and that the economies within the Asia-Pacific have developed unevenly, et al, have posed a new challenge to the region's development. The ESCAP session believed that it is of great, pressing importance for the Asia-Pacific, which is faced with challenges and opportunities, to further strengthen regional cooperation.

In the spirit of seizing opportunities and meeting challenges, this meeting laid, in respect of readjustment of policies and of measures taken, a more solid foundation for strengthening regional cooperation and exchanges and achieved expected results. First, extensive discussions were held on various topics; a consensus was reached on the meeting's theme, i.e., "Cooperation in the Asia-Pacific Region: Prospects, Priorities, and Policy

Choices"; a series of resolutions were passed; seven new members and associate members were admitted; and two associate members became full members. All this indicates that ESCAP has further expanded and its status and role have been further enhanced. Second, the session passed the "Beijing Declaration on Promoting Regional Economic Cooperation" and defined the guidelines and priorities for regional cooperation, thus providing new motive forces for economic cooperation in the Asia-Pacific. Third, the session passed a number of resolutions, such as the "Decade for the Disabled in the Asia-Pacific Region" and the "Strategy for Social Development in the Asia-Pacific Region in and Beyond 2000," which brought the problems of regional social development under close attention and made a new start in solving such social problems as poverty, population, and the disabled in the region. Fourth, the "On the Adjustment and Reform of the Intergovernmental Organizations Affiliated to ESCAP" resolution was passed, which provides a new opportunity for improving the efficiency and work style of the ESCAP and for the countries in this region to more effectively participate in ESCAP's work. Fifth, through the meeting as well as the activities and exchanges outside the meeting, the objective of improving mutual understanding and promoting cooperation was accomplished. In the meantime, our friends from abroad who attended the meeting were given chances to look around and gain a better understanding of China's conditions, which is conducive to cooperation between China and other ESCAP members and associate members. It is our belief that as long as the countries in the Asian and Pacific region respect each other, benefit each other on equal footing, strengthen cooperation, and seek common development, this region's future will be more beautiful.

China has always dedicated itself to safeguarding the Asia-Pacific region's peace and stability, paid close attention to and taken an active part in the region's economic cooperation, and made great efforts to promote the region's common prosperity and development. China is ESCAP's founding place. China's successful hosting of this ESCAP session has once again demonstrated its dedication to strengthening its unity and cooperation with Asia-Pacific countries. China has been implementing the reform and opening up policy initiated by Deng Xiaoping for 13 years and has scored tremendous achievements recognized worldwide. The Asia-Pacific region's stability and development has provided a favorable international environment and cooperation opportunity for China in its reform, opening up, and economic development.

That China consistently implements the reform and opening up policy, bringing about rapid economic growth and constantly improving the people's living standards, will also help promote peace and prosperity in the Asia-Pacific and even the whole world. China's opening up is all-dimensional. In the days to come, China will, like ever before, actively support and participate in the Asia-Pacific's economic cooperation, explore

ways to strengthen the region's economic cooperation with other countries, and make its due contributions to speeding up the common development and prosperity of all Asia-Pacific nations.

The complete success of the 48th session of the UN ESCAP and the adoption of the "Beijing Declaration" demonstrate the unity and friendship among the peoples of Asia-Pacific countries and regions and opens a new page in regional economic cooperation and social development. The spirit of seizing opportunities, meeting challenges, and creating the future embodied in this session is bound to inspire the peoples of Asia-Pacific countries and regions to forge ahead courageously for economic development and common prosperity.

Daily on Foreign Governments Resuming Loans

HK2704015092 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT in English 26 Apr-2 May 92 p 1

[By Chang Weimin: "Foreign Loans Flowing Back to China in Billions"]

[Text] China will sign a deal with Kuwait in May for \$120 million worth of low-interest loans, part of a growing body of evidence that foreign governments are again willing to pump money into the country.

Lu Zhen, director of Foreign Financing Administration for the Ministry of Foreign Economic Relations and Trade (Mofert), will lead the Chinese delegation to sign the loan deal with the Kuwait Fund for Arab Economic Development.

The Kuwaiti loan follows on the heels of signed deals for several new, low-interest loans to China from foreign investments. The new loans also reflect a growing readiness of many foreign governments to resume lending to China after a two-year hiatus after the events in June 1989.

Lu said that in 1991, governments of 16 countries resumed lending to China. About \$4 billion in loans from foreign governments—at preferential interest rates and repayment schedules—were reinstated in 1991.

In a wide-ranging interview with Business Weekly, Lu said the Kuwaiti loans, the fifth of its kind from Kuwait since 1982, are to be used during the 1993-95 period.

He said all the Kuwaiti loans were lent at low interest rates—1.5 and 5 percent—and with long repayment schedules.

China also is going to be allowed by Kuwait to solicit bids in the international arena for purchase of equipment for the projects as opposed to being required to buy from the Kuwaitis.

Lu said China plans to use money from the latest Kuwaiti loan to build airports, harbours, highways, pharmaceutical plants and timber processing factories.

The previous four Kuwaiti loans totalled \$360 million. China used the money to finish nine projects including airports in the coastal cities of Shenzhen and Xiamen.

An additional six projects to make cement, petrochemical products and automobiles have been started with Kuwaiti money.

Lu also disclosed that within six months, the Belgium Government would promise some no-interest loans to China, but he did not give further details.

Since 1981, the Belgium Government has granted China \$3.45 billion Belgian francs (\$110 million) worth of no-interest loans.

Loans from many foreign governments picked up after the third quarter last year.

For instance, \$240 million from the Italian Government was granted.

The Italian loans are to be used in four projects in the Pudong Economic Development Zone in Shanghai.

In addition, Lu said, loans promised by Italy before 1989 have been reinstated.

This March, the Austrian Government promised to loan 1 billion schillings (\$86 million).

The loan, with an interest rate of 4.5 percent and repayment period of 20 years, is to be used in hydroelectric generation and environmental protection projects.

Since 1985, China has received 7 billion schillings (\$600 million) from the Austrian Government.

In December, a Mofert delegation went to Australia and confirmed \$190 million of Australian Government loans to China.

And last November, Lu led a delegation to Canada and signed a loan agreement with the Canadian Government for 440 million Canadian dollars (\$380 million).

Of the amount, 175 million Canadian dollars (\$148 million) were no-interest loans with a repayment period of 40 years and no payments due for 15 years.

Lu said the Chinese Government has given priority to using foreign loans on projects geared to promote the national economy and peoples' living standards.

He said the loans have also boosted economic cooperation and trade between China and the outside world.

XINHUA Official Views Asian Situation

OW2304223592 Beijing BAN YUE TAN in Chinese No 3, 10 Feb 92 p 30-31

[By Yang Mu (2799 2606), senior reporter and deputy director of XINHUA's International Department: "The Characteristics and Prospects of the Situation in Asia"]

[Text] The world today is one in which the old world pattern has been replaced by a new one, the balance of strength between big powers no longer exists, and the world has become more polarized. Under this general situation, the situation in Asia has the following characteristics:

1. Although the world has lost its balance, the effects of this loss of balance are not serious in Asia. When unrest in Europe began, the unrest in Asia gradually gave way to relative stability and an easing of tension. For instance, the "hot point" of Cambodia has been extinguished, and the political settlement of the Afghan issue is making progress, and this "hot point" will also disappear. On the Korean Peninsula, both the North and the South sides have become members of the United Nations at the same time, and they have also signed a package deal concerning their mutual non-invasion, reconciliation, cooperation, and exchange. Moreover, the hostilities between some Asian countries have also gradually subsided, or even disappeared. Thus, a second period of relative stability, which since the end of World War II is quite unusual, has appeared in Asia.

What are the reasons behind this situation?

First, unlike Europe, where there were confrontations between two superpowers and two military blocs, the situation in Asia is one characterized by mutual restraint within the multilateral framework of relations among four countries—the United States, the Soviet Union (Russia), China, and Japan. Within this framework, China is an important factor of stability. In Asia, there were not many points of direct U.S.-Soviet (Russia) confrontation. Thus, the shock caused by the loss of world balance is not felt strongly in Asia. The loss has only produced certain changes in strategic stance, as indicated by the Soviet (Russian) retreat, U.S. withdrawal, and Japan's advances. China's situation is quite good, and it is still improving. Generally, these changes can be resolved by making strategic and tactical adjustments.

Second, most Asian countries wanted to focus their attention on economic construction, taking advantage of the current opportunities provided by relative peace and stability. Thus, most Asian countries have adopted a "multilateral diplomacy," attaching importance to developing good neighborly relations, and emphasizing their independence and initiative.

2. The economic development in Asia is quite good, and that in East Asia is particularly phenomenal. As a result of World War II, Asia has experienced several upsurges of economic development and revitalization. First, the defeated country of Japan gradually resurrected from its economic shambles. Today, it has become the second largest economic power in the world. The second upsurge could be observed from the economic take-off of the "four little dragons." The third time is the rapid economic revitalization of ASEAN members. Today, public opinion the world over commonly maintains that

the fourth economic upsurge will take place in coastal China and in Indochina where a war has just ended. While these upsurges have pushed each other forward, they have also created frictions and contradictions. On the whole, however, they have powerfully expedited peaceful development in Asia.

3. Following its economic rehabilitation, good signs of political and cultural reawakening have also appeared in Asia. In world history, both Asian and European culture had their respective heydays. During the past 200 or 300 years when Asian countries were bullied and humiliated by imperialists and colonialists, Asian cultures were also ignored and relegated to oblivion. Today, many Asian countries are applying the outstanding traditions of Oriental cultures to their economic construction and business operations. Japan, the "four little dragons," and ASEAN members are assimilating a large quantity of the best of Han culture, such as the rational portions of the Book of Changes, the Art of War by Sun Zi, and Confucianism. They are also studying the theories and methods of traditional Chinese medicine. Singapore has come up with a policy for running the country, namely "using Western technology, but upholding oriental ethics." The ancient civilization of India has also attracted people's attention.

Asia is the hometown of the "five principles of peaceful coexistence" and the Bandung spirit. The center of the nonaligned movement and the 77-nation bloc is also in Asia. Compared with Africa and Latin America, the political reawakening of Asian countries and peoples is quicker.

The future shows that Asia will face more opportunities than challenges. However, the development in this huge continent is uneven. Its population is a heavy burden, the difference between the haves and the have-nots is vast, and there are many types and models of societies and countries. Thus, rejuvenating Asia as a whole and ushering in the "century of Asia and the Pacific" call for hard work for a long time to come.

The following trends will probably develop in Asia in 1992 and for sometime afterward:

1. Peace and development will become the mainstream trend. Relative stability in interstate relations is expected to persist for a considerable period.

2. The momentum in economic development and growth in Northeast Asia, East Asia, and Southeast Asia will continue. South Asia's economy will take a slow, erratic turn for the better. More small and medium-scale economic blocs will be formed in the Asia-Pacific region.

3. The role of the Soviet Union (Russia) [name as published] in Asia's quadrangular relations will be further eroded. The United States will maintain its present role, though it will not be able to realize its ambitions by shifting the focus of its strategy from Europe to the Asia-Pacific region. Hence, the roles of China and Japan

will become more prominent, and contradictions between Japan and the United States will gradually intensify.

4. An important destabilizing factor will be Japan's economic expansion, its increased political influences, and its covert tactic of becoming a major military power in Asia. It is noteworthy that some Asian countries are currently intensifying their military buildup.

5. Asia will still be saddled with a host of territorial, ethnic, and religious contradictions as well as contradictions between the rich and poor. The relative inveteracy of certain pent-up grievances and the failure to obliterate latent destabilizing factors may trigger limited and lightning-speed conflicts if those grievances and factors are not properly managed, or are induced or provoked by external factors.

6. China's relations with neighboring countries will be the best since liberation. China will enjoy political stability and economic development. Our future is bright and promising as we steadfastly implement the principle of one central task and two basic points and the independent foreign policy of peace.

U.S. Halts Drug Surveillance Flights Over Peru

OW2804042692 Beijing XINHUA in English
0319 GMT 28 Apr 92

[Text] Washington, April 27 (XINHUA)—The U.S. Government has suspended drug surveillance flights over Peru after a U.S. Air Force plane was fired at off Peru last week.

In a statement released this afternoon, the U.S. State Department said, "the aircraft that was shot at was returning from Peru after completing a counternarcotics mission."

The statement said, "it was part of a regular program we conduct with Peruvian authorities to combat drug trafficking. We cannot give details of the mission."

"As a result of this incident we have suspended these flights," the statement added.

On Friday, a U.S. C-130 transportation plane was fired at by one of two Peruvian fighters about 60 miles off the northern Peruvian coast.

Peruvian air force sources said the U.S. plane was about 300 miles off course from a routine counter-drug surveillance mission.

The military command in Lima ordered Peruvian aircraft to fire on it only after the U.S. crew failed to respond to radio and visual contacts and even warning shots in the front of and at the side of it, the Peruvian sources said.

U.S. officials have said the incident may have resulted from mistakes made by both sides.

But Peru's President Alberto Fujimori has expressed his regret and apology over the incident to U.S. National Security Adviser Brent Scowcroft.

The incident occurred one day after the Peruvian air force took over four municipal airports located in a remote Amazon region, in an attempt to thwart drug traffickers.

The incident also came after relations between Peru and the United States have been strained by the U.S. condemnation of Fujimori's decisions on April 5 to suspend Peru's constitution in efforts to fight against economic crisis, drug-trafficking and terrorism.

In protest, the U.S. Government cut off all its economic aid to Peru and ordered most U.S. military personnel, including 20 Green Berets involved in training Peruvian anti-drug police, out of the southern American nation.

Trilateral Commission Discusses Aid to CIS

OW2804060892 Beijing XINHUA in English
0550 GMT 28 Apr 92

[Text] Lisbon, April 27 (XINHUA)—The Twenty-Third Annual Session of the Trilateral Commission (TC) ended here today after three days of discussions focused on aid to the republics of the former Soviet Union.

A joint statement issued after the session said that the collapse of the former Soviet Union had not freed the world from conflicts and danger and situation there still posed a "serious challenge."

The session also suggested the formation of a "think tank" to look into solutions to the problems facing the former Soviet Union and Eastern Europe.

At a press conference following the meeting, the three chairmen stressed that the deadlock of the GATT talks must be broken.

The TC was founded in 1973 and holds two sessions every year. The commission seeks to strengthen political and economic cooperation between North America, Western Europe and Japan and encourage aid to the third world and the former Soviet Union and Eastern Europe.

Government Expands Surveying, Mapping Ties

OW2704151192 Beijing XINHUA in English
1359 GMT 27 Apr 92

[Text] Beijing, April 27 (XINHUA)—Along with the deepening of reform and opening to the outside world, more than 70 countries have entered cooperative relations with China in the field of surveying and mapping, according to China's Society of Geodesy, Photogrammetry and Cartography.

Some 20 countries have signed inter-governmental cooperative agreements.

The first five-year cooperative agreement between China and the German International Development Fund for the cadastral mapping of China has been completed, and the two sides have entered into a second medium-term cooperative agreement.

In addition, following a suspension of over 20 years, China restored surveying and mapping cooperation with the former Soviet Union in 1990—cooperative relations which have continued since the formation of the Commonwealth of Independent States. China has also expanded cooperative relations with many developing countries.

The wide-ranging cooperative efforts extend from joint surveying and mapping to lecturing, as well as further cooperative research, joint exhibitions and joint labor services. Since 1990, China has sponsored five large-scale international symposiums on technology related to surveying and mapping. In addition, the Wuhan Survey and Mapping University in central China's Hubei Province has enrolled foreign students for three consecutive years, and a number of research institutions have established relations with foreign counterparts.

At present, the China Society of Geodesy, Photogrammetry and Cartography is a member of the International Geodesy Association, the International Mapping Association, the International Photogrammetry and Remote Sensing Association, and the International Surveyors Association.

Central Eurasia

CMC's General Zhao Nanqi Arrives in Moscow

OW2804014392 Beijing XINHUA in English
0133 GMT 28 Apr 92

[Text] Moscow, April 27 (XINHUA)—Chinese Central Military Commission [CMC] member General Zhao Nanqi, who heads the People's Liberation Army General Logistics Department, arrived in Moscow this evening for an official visit.

General Zhao was invited to Moscow by his Commonwealth of Independent States counterpart General I.V. Fushenko.

General Fushenko, Wang Jinqing, China's ambassador to Russia and General Ning Wenyan, China's military attache, were all at the airport to greet General Zhao.

PLA's Chi Haotian Meets CIS Military Group

OW2804035192 Beijing XINHUA in English
0341 GMT 28 Apr 92

[Text] Beijing, April 28 (XINHUA)—Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met a delegation from air force academies and schools of the United Armed Forces of the Commonwealth of Independent States (CIS) here this morning.

The delegation headed by A.U. Malyukov, air forces' first deputy commander and chief of General Staff of the United Armed Forces of the CIS, arrived here Monday on a return visit to one paid by Chinese Air Force academies to the former Soviet Union in September last year.

Wang Hai, commander of the PLA Air Forces, was present on the occasion.

IMF Grants Membership to 14 Ex-Soviet Republics

OW2804013992 Beijing XINHUA in English
0122 GMT 28 Apr 92

[Text] Washington, April 27 (XINHUA)—The International Monetary Fund's (IMF) board of governors formally approved membership today for 14 former Soviet republics.

The new IMF members are Armenia, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

There were delays in processing Azerbaijan's application which will now be voted on by the IMF on May 4.

The 15 republics will enjoy a combined 4.76 percent stake in the fund. Russia alone will make up three percent.

Earlier today, the World Bank also approved membership for all former Soviet republics except Azerbaijan and Turkmenistan.

World Bank votes on the two central Asian states have been scheduled for May 5.

Today's votes will allow the two financial institutions to lend billions of dollars to the fledgling republics.

The money will be made available provided the republics follow IMF-sanctioned economic restructuring programs.

IMF officials have estimated that the economic transition of former Soviet republics will require between 100 and 150 billion U.S. dollars over four years in assistance from industrialized nations and global financial institutions.

Russia has already been promised a 24 billion dollar assistance package by the group of seven industrialized nations to include loans from both the IMF and World Bank.

Northeast Asia

Sino-Japanese Seminar on Peace in Asia Held

HK2704123592 Beijing RENMIN RIBAO in Chinese
10 Apr 92 p 6

[XINHUA report: "Sino-Japanese Seminar on Peace in Asia Held in Tokyo"]

[Text] Tokyo, 7 Apr (XINHUA)—The 6th Sino-Japanese Seminar on Peace in Asia was held in Tokyo from 6 to 7 April.

The seminar included extensive and thorough discussions on the situation in the Asia-Pacific region and on developing friendly and cooperative Sino-Japanese relations. Participants in the seminar thought that since the end of the cold war between the East and West the situation in the Asia-Pacific region has been easing up, but it is still necessary to guard against hegemony.

The seminar reflected on the development of friendly and cooperative Sino-Japanese relations in the past 20 years and proposed many constructive ideas on developing relations between the two countries.

Zhang Xiangshan, vice president of the Association for International Understanding, and Chinese chief representative of the 21st Century Committee for China-Japan Friendship; Tokuma Utsunomiya, Fusao Da, and Masao Kunihiro, members of Japanese House of Councillors; Hyoe Kujioka and Takako Tsuchii, members of Japanese House of Representatives; and some Chinese and Japanese scholars attended the seminar.

Hong Kong MING PAO Profiles Kim Chong-il

HK2704135192 Hong Kong MING PAO in Chinese
24 Apr 92 p 70

[Report: "Mysterious Story About Kim Il-song's Successor Kim Chong-il"]

[Text] In North Korea, whether Kim Chong-il will remain in power after the death of current leader Kim Il-song is the most important issue related to the transfer of power. It is tough to answer, since Kim Chong-il is one of the most enigmatic figures in the contemporary world.

North Korea, which will be ruled by Kim Chong-il, may become the most dangerous regime in the post-Cold War world. This country has 1 million troops out of a population of 21 million.

Recently, the Kim regime, which has been coming under pressure, was forced to halt a project to produce nuclear weapons. Kim Il-song's North Korea is not a state that can be easily dealt with, but from Washington to Tokyo various countries would rather have dealings with the elder Kim than his heir. At least the elder Kim's personality is well known to the outside world—being forceful in public and charming in person.

The young Kim, by comparison, appears to the outside world almost exclusively as a character in Pyongyang propaganda. He has been made a star by the national media.

South Korea is afraid that Kim Chong-il is an even more fervent nationalist than Pyongyang claims. He has been accused by Seoul of masterminding notorious attacks on South Korea and its allies, including the 1976 ax murders of two American officers by North Korean border guards and the 1983 bomb attack in Rangoon, which killed 18 top South Korean officials but missed the purported target, the then South Korean President Chon Tu-hwan.

The most severe charge against Kim Chong-il came after the 1987 bombing of a Korean Air jet, which killed 115 people. A young North Korean woman called Kim Hyon-hui later confessed that she executed an order from Kim Chong-il and planted a bomb on the airliner with an accomplice.

North Korea denied any link to Kim Hyon-hui. A Seoul-based North Korean analyst said: "We do not know anything about Kim Chong-il. We know that Kim Il-song is not crazy, but his son is something else. How would you feel if such a person was 25 miles away from here with a million armed men?"

In recent years, repeatedly urged by Moscow, Kim Il-song has opened the way for high-level talks with Seoul. In the same period, however, Kim Chong-il has never met with South Korean delegations visiting Pyongyang. The "Dear Leader" seems to hide from external visitors. He never attends state banquets, although he is fond of parties. He has been known to invite diplomats to receptions and then watch the festivities on security cameras in an adjoining room.

It was first announced in 1980 that Kim Chong-il had been made Kim Il-song's successor. At that time, supporters of Kim Il-song began to tout the "Dear Leader" as keen on modernization and as having the intention to open the country to the outside world.

If Kim Chong-il was ever a reformer, the fall of the Berlin wall appears to have changed his mind. What he now advocates is the theory that the collapse of communism in the Soviet Union and Eastern Europe is "only a temporary and local phenomenon." On 3 January this year, he told senior party officials that "bourgeois culture is as harmful as drugs in eating away at the mentality of the people." He is opposed to pluralism, multiparty systems, and private enterprise, saying that such things will just lead to social disorder and chaos. He warned that the state must use its "revolutionary weapons" against "antisocialist elements."

While he waits to assume supreme leadership, no one can be sure what he is thinking, but he is young and his published remarks give expression to his determination. In a speech last May he mentioned that the leadership question had been "successfully" resolved and declared:

"The task of the working class should be passed on generation after generation." Reportedly, he has a 21-year-old son named Kim Chong-nam, who is without a known code name or title and no known miracles. At least not yet.

ROK Kim Yong-sam Bids for Presidency

*OW2504141492 Beijing XINHUA in English
1302 GMT 25 Apr 92*

[Text] Pyongyang, April 25 (XINHUA)—Kim Yong-sam, a senior member of South Korea's ruling party, said today he would be standing in the intra-party presidential contest, Seoul Radio reported.

The internal election scheduled for later this year, will be the first of its kind for the ruling Democratic Liberal Party (DLP).

Another DLP member, Yi Chong-chan, has already announced his candidacy in the race.

The candidate will be decided by vote at a party session on May 19.

The five-year term for current President No Tae-u expires in February 1993.

The largest opposition party, the Democratic Party, will select its presidential candidate late next month.

Chong Chu-yong, the leader of another opposition party, the Unification National Party, has also expressed his desire to run for president.

Southeast Asia & Pacific

Reportage Continues on Laotian President's Visit

Li Peng, Kaysone Hold Talks

*BK2704154592 Beijing Radio Beijing
in Lao 1230 GMT 27 Apr 92*

[Text] This morning, at the Great Hall of the People in Beijing, Chinese Premier Li Peng held official talks with Kaysone Phomvihian, chairman of the Lao People's Revolutionary Party Central Committee [LPRP CC] and president of the Lao People's Democratic Republic [LPDR], to exchange views on international and regional issues of mutual interest.

Regarding the Chinese Government's views on the world situation, Premier Li Peng said that the current world situation remains turbulent as usual and is full of contradictions. For example, in Europe, after the disintegration of the Soviet Union, veiled contradictions existing in the past have surfaced. Ethnic conflicts have increased fiercely, resulting in serious turmoil and local wars.

Li Peng went on to say that in the recent years, the situation in the Asia-Pacific region has been relatively stable and that economic growth is increasing, thus

enabling the region to exert greater influence in international politics and economic affairs.

Li Peng highly assessed the development of Sino-Lao relations. He said the relations between the two countries in all fields—such as politics, economics, trade, and culture—have smoothly developed, conforming to the interests of the peoples of the two countries. China and Laos are close neighbors linked by common rivers and mountains. This is the most favorable condition for us to broaden mutual exchanges. The resources of the two countries are mutually supplementary to one another to a certain extent. The mutual economic cooperation between the two countries through various forms has been blessed with considerably great potential.

Li Peng briefed the Lao president on the substance of the recent remarks made by Comrade Deng Xiaoping. He also informed him of the steps taken by China in effecting reform and opening to the outside world, as well as in carrying out economic construction, and the achievements made since President Kaysone Phomvihian's last visit to China.

[Begin recording] [Kaysone Phomvihian] [words indistinct] ...we are very pleased to see that in the recent past China has implemented the correct policies outlined by the party and Comrade Deng Xiaoping [words indistinct]. Comrade Deng Xiaoping remarked that China must continue opening the door wider and deepening (?its reforms). We are of the view that these policies are absolutely correct and will benefit [words indistinct] and the Chinese people. [end recording]

In the talks, President Kaysone Phomvihian said: in recent years, the relations between the two countries have further developed. (?Contacts) between the two sides have continuously expanded. Cooperation in the fields of economics, trade, investment, and culture has been carried out through many methods and forms, and has been effective in numerous ways. My visit this time constitutes an important step aimed at further solidifying and developing the achievements of this cooperation.

Kaysone Phomvihian highly hailed Comrade Deng Xiaoping's recent remarks. He was of the view that the great achievements made by China in carrying out reform and opening to the outside world and in building the economy have become important contributions to peace, stability, and development in Asia and the world.

In discussing the internal situation in Laos, President Kaysone Phomvihian said that to translate into practice the resolutions adopted at the 5th LPRP Congress, the Lao Government has systematically implemented many policies to carry out economic restructuring. Foreign investment has now increased. The situation in Laos today is stable. The economy is rapidly developing. The people's living conditions have been basically improved. He expressed confidence that Laos will be able to overcome the momentary difficulties it is facing at present.

President Kaysone Phomvihane also briefed Li Peng on his views on the regional and world situation.

Earlier before the talks took place, President Kaysone Phomvihane laid a wreath at the Monument of People's Heroes at the Tien An Men Square.

Jiang Zemin, Kaysone Discuss Reform

OW2804081892 Beijing XINHUA in English
0804 GMT 28 Apr 92

[Text] Beijing, April 28 (XINHUA)—Jiang Zemin, general secretary of the Communist Party of China (CPC) Central Committee, met with Kaysone Phomvihane, president of the Laotian People's Democratic Republic and president of the Laotian People's Revolutionary Party, here today.

A Chinese Foreign Ministry official quoted Jiang as saying that, under the current complex and changing international situation, it is very important for the leaders of the two countries and the two parties to maintain close contact and exchange views frequently on issues of common concern.

Jiang told Kaysone that the CPC has implemented the reform and open policy, which was initiated by senior leader Deng Xiaoping, in constructing a socialism with Chinese characteristics since the Third Plenary Session of the 11th Party Central Committee in 1978.

Focusing on economic construction, the CPC has brought about remarkable changes in the country, Jiang noted.

Now, Jiang said, the CPC is taking advantage of favorable international and domestic conditions and focusing on boosting China's economy according to the recent remarks of Deng, adding that "we are fully confident of our cause."

Kaysone spoke highly of China's reform and open policy, saying that "the victory China has recorded is our common victory."

He stressed the importance of enhancing the friendly relations between the two countries and the two parties. He said that the Laotian People's Revolutionary Party, the Laotian Government and people will continue to make efforts for solidifying such relations.

On Laos' domestic situation, he said that the Laotian people's Revolutionary Party has made some progress in implementing the resolution adopted at the party's fifth congress.

He said the party is resolved to attach importance to the construction of the party and continue to carry out reform and opening and to further raise the living standards of the people.

Qiao Shi Briefs Kaysone on CPC

OW2804064292 Beijing XINHUA in English
0633 GMT 28 Apr 92

[Text] Beijing, April 27 (XINHUA)—Qiao Shi, a standing committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met Kaysone Phomvihane, president of the Lao People's Democratic Republic, at the Diaoyutai State Guesthouse here this morning.

According to a Chinese Foreign Ministry official, Qiao briefed Kaysone, who is also president of the Lao People's Revolutionary Party, on party building of the CPC after it became the ruling party, especially during the course of reform and opening to the outside world.

Kaysone also gave an account of the domestic situation in his country.

PLA Official Xu Xin Leaves for Malaysia

OW2604021292 Beijing XINHUA in English
0124 GMT 26 Apr 92

[Text] Beijing, April 26 (XINHUA)—Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army (PLA), and his party left here today for Kuala Lumpur, Malaysia.

Xu and his party, at the invitation of the armed forces of Malaysia, will attend the third Asian exhibition of defense.

'Roundup' on New Zealand Election Preparations

OW2704132392 Beijing XINHUA in English
1143 GMT 27 Apr 92

["Roundup: NZ Political Forces Act With Eye on Election"—XINHUA headline]

[Text] Wellington, April 27 (XINHUA)—New Zealand's major political forces appeared to have been shifting to an election campaign footing, eyeing on next year's general election only halfway the current parliamentary term.

Though television advertisements, electorate party gathering and frequent canvasses seem still far away, yet, the behavior and languages of both the government and the opposition and the newly-formed alliance comprising of four of the country's minor political parties all have borne major marks of an election mode.

Over the past few weeks before the mid-term day of the government which falls on today, Prime Minister Jim Bolger and other ministers of the cabinet have been taking every opportunity to glister the government's image by listing the achievements of the major reform measures introduced in the past 18 months.

Apparently, the government appeared to have shifted to a more practical work focus to take more heed of voters' keenest anxieties, namely, the high unemployment and business recovery.

It was these two major concerns showing no signs of improvement that had made the popularity of the government and the ruling National Party plummet to a historical low at the end of last year. The government's utmost goal a year ago was believed to pursue a balanced budget through maximizing revenue and slashing government spending.

In policy decision, the government is also seeking a kind of "soothing approach" not to go against the wishes of the public, if not to woo the voters.

One of the typical example in this aspect was the government's u-turn to repeal the surcharge of superannuation, which was promised in the party's 1990 election manifesto.

The opposition Labor Party has recently mounted a wide-range attacks on the government, releasing a list of the government's 45 broken election promises and opposition's promises to repeal some of the government's legislation, notably the economic contract bill. The bill is considered as one of the major measures in reforming the industrial relations in the country and has been hailed by the government as successful.

Within the ruling and the opposition parties, the selection of candidates in electorates are believed to have been put on the parties' agendas.

The Alliance, a new force on the country's political arena, has held a series of talks reviewing candidates' selection methods in relevant electorates. Though there are still difference among the members, the Alliance will act as a new rival, for the first time in New Zealand political history, to compete with the two major political parties.

Thai Business Group Leads in Joint Ventures

*OW2604021792 Beijing XINHUA in English
0203 GMT 26 Apr 92*

[Text] Shanghai, April 25 (XINHUA)—The Chia Tai Group from Thailand tops all foreign companies in terms of the number of joint ventures it takes part in on the Chinese Mainland.

To date, the Chia Tai Group has contracted 48 jointly funded enterprises in China, 20 of which are operational and have recorded initial economic success.

The group's Shanghai Dajiang Co. Ltd. and Shanghai-er Chor Motorcycle Co. Ltd. have been listed by the Chinese Government amongst the 10 best foreign funded enterprises in China.

In 1991, the Nantong Chia Tai Aquatic Products Co. Ltd. in Jiangsu Province recorded a profit of over 12 million yuan, treble the projected figure.

Chia Tai enterprises on the mainland are involved in wide-ranging industries, including cattle and poultry breeding, aquatic products, food processing, agriculture, beer brewing, petrochemicals and the motorcycle production. The group has recently shifted its focus by investing in the real estate, financial organizations and numerous other tertiary industries.

Chairman of the board Bhamin Chearavanont said recently that the group has witnessed China's continued progress in opening wider to the outside world, and its ever improving investment environment. He expressed increasing optimism concerning investments on the Chinese Mainland.

The Thailand Fortune Real Estate Company, also chaired by Chearavanont, recently contracted with the Shanghai Lujiazui Finance and Trade Zone United Development Co. Ltd to investment over two billion U.S. dollars to develop a 40 hectare tract in Shanghai's new pudong district. The site will be developed into comprehensive financial, commercial and trade center.

Chearavanont said that Shanghai has an ideal economic and technological foundation, and, as a result, the group has made Shanghai the focal point for investment in the coming years.

Informed sources report that the group will build an oil refinery and bean processing factory in Pudong, as well as an investment finance company which has already received approval.

West Europe

Central Bank Governor Meets French Bank Officer

*OW2804080792 Beijing XINHUA in English
0732 GMT 28 Apr 92*

[Text] Beijing, April 28 (XINHUA)—Li Guixian, state councillor and governor of the People's Bank of China, met here today with Michel Freyche, chairman of the Board of the Banque Francaise du Commerce Extérieur (the French Foreign Trade Bank), and his party.

Li briefed the visitors on China's economic and financial situation.

Freyche and his party arrived here April 25 at the invitation of the Bank of China, and are scheduled to visit Shanghai.

Shandong Officials Receive Austrian Delegation

*SK2804061192 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 25 Apr 92*

[Text] At the invitation of the Chinese People's Association for Friendship with Foreign Countries, the Austria

Federal Council delegation headed by Walter Strutzenberger, executive vice president of the Austria Federal Council, came to our province for a six-day friendly visit.

On the evening of 25 April Miao Fenglin, vice chairman of the provincial People's Congress Standing Committee; and Lu Maozeng, vice chairman of the provincial Chinese People's Political Consultative Conference Committee and president of the provincial branch of the Chinese People's Association for Friendship With Foreign Countries, cordially received in the Nanjiao Guesthouse of Jinan city the Austria Federal Council delegation.

During their stay of several days in the province, the Austrian guests visited plants and rural villages in the cities of Weifang, Zibo, Qufu, Taian, and Jinan. They were greatly interested in Shandong Province's construction and development and in the province's cultural resources.

During the reception, guests and hosts held friendly talks. Attending the reception were responsible comrades from the Chinese People's Association for Friendship With Foreign Countries and from the provincial branch of the Chinese People's Association for Friendship With Foreign Countries.

Lord Wilson To Meet Governor Patten in London

HK2704032092 Hong Kong SOUTH CHINA MORNING POST in English 27 Apr 92 pp 1, 2

[Text] Hong Kong's next Governor, Mr Chris Patten, was given advice yesterday by the man he will replace on how not to antagonise China.

Lord Wilson, due to meet Mr Patten in London today, said he would explain that building up trust with Beijing was crucially important for Hong Kong. Public disputes would not help resolve problems.

"Real life is looking at what are the interests, what are the needs, of Hong Kong," he explained.

"Sometimes that means you have to have public arguments with China or public arguments with London. Most of the time it means you are carrying on quiet discussions with Beijing or London in order best to deal with the practical issues.

"And I will certainly say to him, and I am sure he would agree, never think of this in terms of slogans like 'are you standing up to China' or 'are you kowtowing to China?'"

"If you are dealing with China you don't simply go about things trying to upset them. You go about it explaining what the real problem is and trying to find a solution that satisfies all the people involved," he said.

Lord Wilson was speaking on his arrival in London for a five-day visit, during which he will also meet the Prime Minister, Mr John Major, the Foreign Secretary, Mr

Douglas Hurd, and the new Foreign Office minister with responsibility for Hong Kong, Mr Alastair Goodlad.

The Governor is scheduled to spend an hour with Mr Patten, although the session may go on longer, before meeting other Foreign Office officials and the British Hong Kong Parliamentary Group.

He meets Mr Major at Downing Street tomorrow and will hold talks with retiring special adviser to the Prime Minister, Sir Percy Cradock, and Mr Hurd on Wednesday [29 April].

During talks with Mr Patten, Lord Wilson is expected to sound out ideas which may lead to a reduction of the Governor's involvement in the day-to-day running of the territory and a greater role for the Chief Secretary, Sir David Ford, and Financial Secretary, Mr Hamish Macleod.

With a politician Governor possibly not as interested in the policy-making details as Lord Wilson has been over the past five years, sources said both Sir David and Mr Macleod might need to assume a more independent approach towards the nitty-gritty of policy formulation.

This approach would free Mr Patten to concentrate on major issues, such as the handover of Hong Kong to Chinese rule and the territory's external relations.

Further details have emerged of a possible revamp of the government and running of the Governor's office once Mr Patten assumes his duties.

Within the government secretariat, one option being considered is the expansion of the Financial Secretary's office to include a new senior post equivalent to that of the director of administration, Mr Nicholas Ng Wing-fui, under the Chief Secretary's office.

A heavier workload imposed on Mr Macleod's office since the introduction of the new-style Legislative Council has prompted the administration to consider the need for a senior post to co-ordinate the work of the policy branches which his office schedules.

Plans to restructure, up-grade and expand the Governor's administrative office at Government House are also being considered.

Currently headed by the Governor's private secretary, Mr Richard Hoare, the Governor's 56-strong office is expected to be expanded by at least two posts to include a speech writer and a press secretary, at Staff Grade B1 level.

Mr Hoare, who has served under two governors, is expected to remain in his post until at least the end of the year to ensure continuity. It is uncertain whether he will be asked to stay on, but his post is likely to be up-graded to Staff Grade A level, the equivalent of a department head. Mr Hoare may take up a year-long course in Britain at the end of the year.

Although the post of press secretary has been proposed in the past, it was dropped because of budget constraints.

However, it is understood that the Governor's aides are keen to revive the idea. One contender for the post is Information Co-ordinator, Mr Mike Hanson, who has been spending a substantial amount of his time at Government House serving as de facto press secretary, although officially, he is part of the team of the Chief Secretary's Office.

Sources said Mr Patten might want to retain him as his personal aide. Mr Hanson and Mr Hoare will be the first officials to meet the new Governor, as the pair are accompanying Lord Wilson on his London trip.

Upgrading the political adviser's office is also being considered. Among the contenders for Mr William Ehrman's post are the head of the British team of the Joint Liaison Group, Mr Anthony Galsworthy and Mr Christopher Hum, a Foreign Office official currently serving at the UN in New York.

Mr Patten is also expected to embark on a major reshuffle on his secretaries.

Editorial on Thatcher, Major Policy Differences

*HK2704125392 Hong Kong WEN WEI PO in Chinese
27 Apr 92 p 2*

[Editorial: "Policy Differences Between Two British Prime Ministers"]

[Text] Mrs. Thatcher recently published an article in a U.S. magazine giving a direct warning to Major: "There is no such thing as Majorism." "Thatcherism will continue to exist, because we have the courage to resume and uphold these principles so as to preserve the national character and international status of the British people." She reminded Major that the Conservative Party must attribute its general election victory to her and that he must not try to undo all that she had done, and "build up his own reputation by making a great many public expenditure commitments to the voters and trying to improve social services without careful consideration." "It was to a succession of the forerunner's achievements that the Conservative victory in the election must be due," and the same is true for Major's reelection.

If the Iron Lady still had any channel to maintain a mutual understanding with Major and to affect existing policies, she would not have to publish such an article in a U.S. magazine. The fact that she had to make this move indicates that there is a gap between her and the younger generation of Conservatives, which reflect that her way of thinking is not in tune with that of Major's moderate line.

After Major was reelected, he made commitments to the public that he would establish "a classless society,"

"value human interests highly," and "improve the people's livelihood," with a view to changing the Conservative image of considering the rich more but turning a cold face to the poor. During the election, Major promised to allocate an additional 2.7 billion pounds to improving health services. This runs counter to Thatcher's policies during her terms of office, by which she continuously reduced expenditure on education, public health, and social welfare to lighten the government's financial burdens, and imposed the Poll Tax on the citizenry to increase revenue. Major even said openly that "the poll tax policy was wrong." After the election, Major reshuffled his cabinet, sacking ministers of the older generation who endorsed Mrs. Thatcher's policies, and at the same time appointing those expelled by Mrs. Thatcher to important positions.

Political commentators said that Major suddenly deleted Mrs. Thatcher from a list of election promoters because Mrs. Thatcher criticized the Major Government as peremptory for refusing to hold a nationwide referendum to decide how Britain should be involved in European affairs. Major has formed his own policy toward Europe, however, firmly cast off the shadow of the "remaining protection by someone else," and established his own political style. The move to delete Mrs. Thatcher's name reflected Major's decisive character.

We cannot but recognize that Mrs. Thatcher still has influence among the wealthy strata, however. Her criticism is not without a market, and this will cause a lot of trouble for Major. The government, with only a slight majority of a dozen seats, can hardly withstand blows from policy differences within the party. The Iron Lady is by no means a woman swayed by personal feelings, and she made the challenge at this moment only to show that she still has influence on the Tory right wing. If the Major government keeps on running counter to Thatcherism on the issues of social welfare and European affairs, then right-wing Members of Parliament may not vote in favor and the Major government's bills may not be passed. Viewed from the voters' angle, the prime minister's reputation would be quite impaired if he was forced to listen to the earnest exhortations of a party leader already relieved from office.

Major attaches great importance to Europe, stressing "playing a role in the heart of Europe," and proposing that "in further linking with Europe, it is necessary to maintain a balance between close cooperation and national dignity." It is wrong to accept a single currency right now, and it is also "wrong and harmful" to decide at present "not to accept it forever." This indirectly rejects Mrs. Thatcher's idea of "never joining the single currency system." On the question of privatization, Major retains some of Mrs. Thatcher's economic thought, but adds the "social market economy" to it, namely, continuing to privatize some state-owned enterprises while merely introducing market mechanisms to public service departments for fear that their economic results will be even worse if they go on "doing business exclusively" after privatization.

Mrs. Thatcher finds this difficult to tolerate. The former partnership relationship between the United States and Britain was her asset, and she launched an attack through an American publication which also indirectly reflects U.S. uneasiness over the tendency for Britain to become still closer to Europe.

East Europe

Hungarian Minister Leaves Budapest for Beijing

Trip To Promote Ties

OW2704170892 Beijing XINHUA in English
1602 GMT 27 Apr 92

[Text] Budapest, April 27 (XINHUA)—Hungarian Foreign Minister Geza Jeszenszky left here today for Beijing, beginning his first official visit to China since Hungary introduced the multi-party system two years ago.

Before his departure, Jeszenszky told XINHUA that his visit, repaying the visit to Hungary of China's foreign minister, Qian Qicheng, last March, will promote the development of bilateral relations, especially in the economic and cultural fields.

He said years of reforms practised in China had benefited its people and promoted its economy.

Jeszenszky said he would hold talks with Chinese leaders on a wide range of issues of common concern.

Official Views Relations

AU2704130692 Budapest MTI in English
2009 GMT 23 Apr 92

[Text] Beijing, 23 April (MTI)—The visit of Hungarian Foreign Minister Geza Jeszenszky to China next week will be a major stage in relations between the two countries, said Tai Pingkuo, head of the Chinese Foreign Ministry's East European Affairs Department, in an interview with correspondents from MTI and the Hungarian daily NEPSZABADSAG in Beijing.

The Chinese official voiced hopes that the Hungarian prime minister will visit China again at some later date after his visit next week. He said Chinese Foreign Minister Qian Qichen welcomes the opportunity to hear Hungary's evaluation of the European situation. The two ministers will also review the state of bilateral relations.

He also said China has traditionally cooperated with all countries in Eastern Europe—including Hungary—and is ready to foster friendly relations with them on the basis of the five principles of peaceful coexistence. The differences between social systems, ideologies and values cannot be obstacles in developing bilateral relations.

"We are satisfied with the development of Hungarian-Chinese relations, but we should progress beyond the current level of relations," the Chinese diplomat said. Although he acknowledged that bilateral economic and trade relations have declined, he said political reasons are not to blame for this.

"The switch from barter to cash-accounting trade is a difficult process of adaptation," he said, referring to the decline.

He said both countries have gone through a change in their economies, which also causes certain difficulties.

"The two governments now do not play a determining role in the shaping of economic and trade relations. They merely create the conditions for these relations," Pingkuo said. "Companies now handle concrete business transactions.

"China is a huge market offering many opportunities for Hungarian businessmen," he continued. "Beijing strives to boost bilateral trade with various measures, such as its recent decision to open a trade centre in Budapest."

Tai said Chinese people living in Hungary can help strengthen relations between the two peoples.

"We hope and believe they will promote local economic development, friendship between the two peoples, and a better understanding of each other," the official said.

Yugoslav Parliament Approves New Federal Republic

OW2704170992 Beijing XINHUA in English
1610 GMT 27 Apr 92

[Text] Belgrade, April 27 (XINHUA)—The Serb-dominated Yugoslav parliament this morning approved a constitution for a new state comprising only Serbia and Montenegro, and this afternoon proclaimed the creation of the new Federal Republic of Yugoslavia.

The vote for the constitution was 73 in favor, one against, and three abstentions.

The creation of the new republic means the disintegration of the former socialist federal republic created in 1943.

The new Yugoslavia, with 44 percent of the population and 40 percent of the territory of the former Yugoslav federation, will also have new dinar banknotes.

The four other republics of the former Balkan federation—Slovenia, Croatia, Macedonia and Bosnia-Herzegovina—have all declared their independence, and the first three already have their own currencies.

When the parliament approved the constitution for the new republic, Bogdana Levakov, leader of the Federal Chamber of Parliament, said to loud applause from the

representatives of Serbia and Montenegro, "I proclaim the Federal Republic of Yugoslavia."

Meanwhile, outside the parliament building in the center of Belgrade, the old blue, red and white Yugoslav flag was replaced by a similar flag, missing only the red star at the center.

The national anthem of the old Yugoslavia, "Hey Slavs," has been retained.

A one-year-old war in the Balkan nation has killed thousands of people and left hundreds of thousands homeless.

Political & Social

Article Views Deng's Modernization Plans

HK2804025692 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 28 Apr 92 p 4

[Article by Leng Rong: "To Realize Lofty Aspirations and Great Ideals of Chinese Nation—Studying Comrade Deng Xiaoping's Ideas Concerning Strategic Goals for China's Modernization and Development"]

[Text] While inspecting south China recently, Comrade Deng Xiaoping said: We should continue to advance along the course of building socialism with Chinese characteristics. Capitalism has been developed for several hundred years, but how long have we been building socialism! Moreover, we wasted 20 years in the past. If we take 100 years from the founding of the People's Republic to build ours into an intermediate-level developed country, then it will be a great success! The period from now until the middle of the next century will be of crucial importance. We should quietly immerse ourselves in hard work. We are shouldering heavy loads and great responsibilities!

What a telling and earnest speech this is! In a certain sense, we can say that this is the starting point and the cornerstone of all of Comrade Deng Xiaoping's remarks during his inspection in the south.

Here, Comrade Deng Xiaoping once again strongly expressed the lofty aspirations of the Chinese nation, that is, the strategic goal of building ours into an intermediate-level developed country by the middle of next century. This is a strategic goal of taking "100 years" to travel a path that other nations have taken "several hundred years" to travel.

According to Comrade Deng Xiaoping's proposal in late 1979, the 12th and 13th CPC National Congress established and reaffirmed the three-step strategic goal for our country's development in a period of 70 years from the beginning of the 1980's to the middle of next century on the basis of repeated feasibility studies; namely, first doubling the gross national product and enabling the entire people to have sufficient food and clothing by the end of the 1980's, and then redoubling the gross national product and raising the people's livelihood to a comparatively better-off condition, and then further redoubling the gross national product and making China an intermediate-level developed country by the middle of next century. Such a "three-step" objective presents a great goal to inspire the 1.1 billion Chinese people to work hard and exert themselves. In the past more than 10 years, Comrade Deng Xiaoping has put forth a series of important ideas concerning this objective. Conscientiously studying and understanding these ideas, especially in connection with the study of Comrade Deng Xiaoping's recent important talks, is of great significance for us to correctly approach and guide the current reform and modernization drive.

The Grand Objective: Thoroughly Freeing China From Poverty and Making Greater Contributions to the Human Race

A foreign commentator once said that such a long-term development strategy goal as China had put forth for a period of 70 years was unprecedented in the world.

Why do we need to put forth such a long-term strategic objective?

To answer this question, we need to first briefly review our history.

In modern China, all the people with lofty ideals strove to fulfill two major tasks. One was to terminate China's disintegration and to win national independence and liberation; and the other was to thoroughly free China from poverty and make China powerful and prosperous. These two major tasks were placed by history on the shoulders of the Chinese Communists. The founding of the PRC in 1949 marked the fulfillment of the first task. Through efforts of more than 10 years, after the state laid a foundation for the development of the national economy, Chairman Mao and Premier Zhou called for realizing four modernizations; namely the modernization of industry, agriculture, national defense, and science and technology, thus bringing our national economy to a leading position in the world and fulfilling the second great task. Due to twists and turns in history, the work of carrying out this task was put off for 20 years. When we brought the "Cultural Revolution" to an end and woke up from the nightmare, we suddenly found that the gap between our country and the economically developed nations in the world had become wider. We were then facing a stern reality, and we must no longer waste time.

The Third Plenary Session of the 11th CPC Central Committee was held in December 1987. At Comrade Deng Xiaoping's suggestion, the whole party resolutely and unhesitatingly shifted the work focus and were determined to get rid of all obstacles and concentrate strength on promoting economic construction with one heart and one mind to fulfill the heavy tasks entrusted by history and realize the great task of the four modernizations. In accordance with the principle of seeking truth from facts, Comrade Deng Xiaoping objectively analyzed the economic development gap between China and the developed countries and forwarded timely and realistic strategic ideas and objectives for realizing modernization in three steps from the 1980's to the mid-2000's.

With this objective, there was a basic point and definite orientation for the unity and common struggle of the whole party and the people of all nationalities throughout the country. At the same time, a definite and concrete long-term development strategy also provided a basis for us to work out medium- and short-term economic development plans. When working out the Sixth Five-Year Plan, the party Central Committee took into consideration the objective of enabling the people to lead a relatively comfortable life by the end of this century.

When working out the Seventh Five-Year Plan in 1985, it also took into consideration the development objective for the next century. Gudeman, a British China-hand, commented that the Seventh Five-Year Plan was China's first detailed, concrete, and definite plan, which obviously had something to do with its long-term development strategy. The Eighth Five-Year Plan and the 10-Year Program adopted by the Fourth Session of the Seventh National People's Congress [NPC] more concretely displayed this characteristic.

Some people asked: Is our objective not ambitious enough, as we have to take so much time to reach a per capita income of \$4,000? At present, the per capita income of some countries is already over \$10,000.

Is it an unambitious or a magnificent objective? To strengthen our confidence, it is important to gain a correct understanding of the significance of realizing this objective. On this question, Comrade Deng Xiaoping has made a series of expositions.

He said we have all the necessary conditions and will surely be able to catch up with the advanced countries; however, China has a large population and a backward economic foundation. We cannot eliminate the gap between China and the developed countries overnight, because it was formed over the past two or three centuries, or at least over more than 100 years. It can be eliminated through the efforts of several generations of people, who have made up their minds to carry out long-term struggles. On this question, we should not hold any illusions. The target of making our per capita income reach \$800-\$1,000 by the end of this century is indeed not a high target and is negligible compared with the developed countries. But, judging from China's real situation, it is an amazing achievement which cannot easily be made. He believed that—although \$800 is not a large sum—in our socialist country the common people generally lead an easy life, because wealth is not concentrated in the hands of a small number of people, and there is not a great discrepancy between rich and poor. He cited Suzhou as an example. In 1982, the per capita GNP of this city reached \$400, and great changes took place in the people's food, clothing, housing, education, cultural life, and mental attitude. Suzhou is one of the best areas of our country in economic development. Although it was only halfway toward the target of leading a relatively comfortable life, important changes had already taken place there. Comrade Deng Xiaoping said: Just imagine how great the changes will be in China when the per capita GNP of the whole country reaches \$1,000. On this question, some foreign economists also believe that, because of the different national conditions, the situations are also different though with the same per capita income. Former Greek Prime Minister Papandreu said: The statistical per capita income was of significance to China but not to our country. Although Greece's per capita income is high, the discrepancy is too big. Comrade Deng Xiaoping said that our advantages are right on this question.

According to observation and quantitative analyses by economists abroad, in the countries whose average per capita income is the same as China's but which have different systems, there is a wide gap in living standards between their ordinary people and those of China. China's living standards have actually exceeded the estimated average income level. The CPC Central Committee's explanations for the Eighth Five-Year Plan have also pointed out that the comparatively well-off target is a comprehensive one. Instead of merely looking at the figure of \$800, we should comprehensively understand the significance of the quadrupling target. For this reason, Comrade Deng Xiaoping said we should realistically admit China's economic backwardness while not underestimating our capabilities. We should have sight of our socialist system's superiority. Only in this way can our attitude be relatively objective. If China, whose population accounts for one-fourth of the world, can completely eliminate poverty and genuinely reach the comparatively well-off level in which everyone is well-fed and well-clothed, Deng further pointed out, it will be China's great contribution to mankind.

An essential reason for China's low average income is its large population. This is a very heavy burden left over from history. From the opposite point of view, however, when the per capita income has been increased, a large population's total value will be considerable. We should not underestimate this factor, as it reflects a nation's overall strength. Comrade Deng Xiaoping once said he had not noticed this point in the past. Later, he read some material which said that a neighboring country pursuing hegemony realized that China's total value was high, and its national strength was by no means weak despite its low average income—thus China should not be underestimated. The material stimulated Comrade Deng Xiaoping's thought process. We are very poor now and this does not match the status of a big country like ours. In terms of economic backwardness, our country is big as well as small. If our average income can reach \$800-\$1,000, the total value of 1.2 billion people would exceed \$1 trillion. That would be amazing. There are very few countries in the world that have over \$1 trillion. As ours is a socialist country, we can concentrate forces to undertake many projects. If we draw 1 percent to develop national defense or education, it would be tantamount to \$10 billion. If the per capita income can reach \$4,000 in the middle of the next century, the total value of 1.5 billion people would be \$6 trillion. This figure will certainly count in the world. As a result, China's international status will elevate enormously, which will contribute greatly to world peace and Third World development.

The attainment of the three-step strategic objective had a greater meaning to Comrade Deng Xiaoping, as it could prove socialism's success. There are some people who attribute the socialist states' economic backwardness to the system. As a matter of fact, there are many complicated factors which determine a country's economic development. There are a number of countries which

chose the capitalist system after the war and which are still poverty-stricken. Based on such backwardness, however, the successes China attained on the socialist road over the past 40 years, particularly in the decade-long reform and opening up period, are acknowledged by many statesmen and economists in the world who have taken an objective approach to the question. At present, international economic competition is very acute, and the market is fully occupied. The developed countries of the North have become richer while most of the underdeveloped countries of the South have become poorer despite their social systems. If we can realize our strategic target under such a difficult international economic situation, Comrade Deng Xiaoping said: "We can show this path to the Third World, whose population accounts for three-fourths of the world. What is more important, we can prove to all of mankind that socialism is the only way out and that socialism is superior to capitalism" ("Comrade Deng Xiaoping's Important Talks," p 23).

It is for this reason that Comrade Deng Xiaoping firmly believed that our strategic goal is not unambitious but is magnificent. It is also for this reason that he has never considered it merely an economic goal, but a political goal of great significance.

Firm Belief: Uphold Party's Basic Line Unswervingly for 100 Years; Aim at Grand Goal for 100th Anniversary of Founding of New China in All Respects

Naturally, such a political goal occupied an extremely important position in Comrade Deng Xiaoping's mind. After he mentioned this brain-child of his to former Japanese Prime Minister Masayoshi Ohira at a talk in December 1979, he was constantly pondering this issue. In January 1980, in his famous speech "Current Situation and Tasks," he presented this idea to the whole party for the first time. He placed this affair on a par with the making of a resolution on history. At that time, he summoned the comrades responsible for the economic and ideological work in the central organ and said to them: It is necessary to do a good job in two affairs. One is to make a resolution on history and correctly appraise Comrade Mao Zedong; the other is to consider making a long-term development plan. According to his instruction, the Sixth Plenary Session of the 11th CPC Central Committee passed the "Resolution on a Number of Historical Issues of the Party Since the Founding of New China" in June 1981. At the 12th Party Congress in September 1982, the strategic goal of making China a comparatively well-off society with quadrupled GNP by the end of this century was officially set.

From the series of important speeches and talks given by Comrade Deng Xiaoping in the last dozen years, one can see that the issue concerning goals is one of the aspects that he has most frequently treated. He has mentioned it almost every time. We have noticed in particular that many of his important ideas develop and are expounded

with the issue of strategic goals in the center. Understanding this point is of great importance to the comprehensive and systematic understanding of his idea of building socialism with Chinese characteristics.

When explaining why China must consistently follow the socialist road, Comrade Deng Xiaoping pointed out that an important reason is that socialism is the fundamental safeguard of our success in accomplishing the strategic goal. He said: "Once China abandoned socialism, it would regress to the semicolonial and semifeudal society. There would be no guarantee for adequate food and clothing, let alone a 'comparatively well-off life.'" ("Important Speeches of Comrade Deng Xiaoping" p 3) If distributed with the capitalist method, the \$1 trillion of GNP targeted in the plan for achieving the comparatively well-off level is no big deal. It would not be sufficient to extricate China from the poor and backward state. In other words, only less than 10 percent of the population would lead a good life while over 90 percent of the population would remain in poverty. "But, if the socialist distribution principle is followed, the people of the whole nation will enjoy a comparatively well-off life. This is why we must adhere to socialism. Without adhering to socialism, the comparatively well-off society in China would not come into being." ("Building Socialism With Chinese Characteristics (Revised and Enlarged Edition)" p 54)

On the subject of why there is a need to persist in reform and opening up, Comrade Deng Xiaoping pointed out that reform and opening up "is a fundamental policy for fulfilling the grand target." "As the target is fixed, where should we proceed? We should observe the social development law. We have decided to carry out two kinds of opening up. One is opening up to the outside world and the other is opening up all parts of the country." We cannot fulfill the first- and second-step targets without opening up and reform. He said rural reform will play a decisive role in doubling the GNP and that quadrupling the GNP will rely on urban reform. A good job in urban reform will lay a material foundation for prolonged, sustained, and steady development in this century and even for 30 to 50 years in the next century. Comrade Deng Xiaoping also pointed out: The target of doubling the GNP can be achieved by the end of this century even without bigger reform, but without reform we cannot reach the level of medium-developed countries in the middle of the next century. Comrade Deng Xiaoping particularly stressed: Reform and opening up must not be abandoned. We will not achieve our strategic target if we follow the old conventions. If we stick to the old rules and do exactly as we did in the past, worrying about some failures in experiments, we will not achieve our goal. Recently he stressed in particular: Revolution is emancipating the productive forces, and reform is also emancipating the productive forces. In the past, we only talked about socialist conditions in developing the productive forces; we did not say there is also a need to emancipate the productive forces through reform. This is incomplete. We should talk about the two aspects of emancipating and developing the productive forces.

On why there is a need to oppose bourgeois liberalization, Comrade Deng Xiaoping pointed out that liberalization and turmoil will ruin stability and seriously endanger the four modernizations. The first condition for China to achieve its strategic development target is political stability. He said: We should explain to the people the question of right and wrong, advantages and disadvantages. "The question of right and wrong involves China's fundamental interests, and the major question of advantages and disadvantages has an important bearing on China's fundamental socialist target, namely whether we can achieve the targets for this and the next centuries." ("Building Socialism With Chinese Characteristics," (Revised Edition) p 156) "Why did we handle the students' disturbance that seriously and speedily? Because there must not be any more upheaval or turmoil in China." ("Important Speeches by Comrade Deng Xiaoping," p 13) After the 1989 political storm, Comrade Deng Xiaoping stressed that this turmoil enabled us to understand the importance of stability. In carrying out the four modernizations, fulfilling the economic development strategic task, getting rid of poverty, and achieving the level of medium-developed countries, the most important thing for China is stability. If necessary, every possible means will be used to eliminate any turmoil in the future as soon as it appears. Martial law or even more severe methods may be introduced so that we will remain free from foreign intervention.

On why there is a need to carry out an independent and peaceful foreign policy, Comrade Deng Xiaoping pointed out: "For the sake of China's development and to fulfill our grand target, we need a peaceful international environment." ("Building Socialism With Chinese Characteristics," (Revised Edition) p 82) In the past we thought a world war would soon break out. Viewed from the present international situation in general, it is possible to strive for a comparatively long peace and to avoid war. For this reason, we have adjusted our foreign policy and implemented an independent and peaceful foreign policy. We have taken the initiative in improving our relations with many countries according to the principles of peaceful coexistence. "China can get rid of poverty and reach a better-off level by the end of this century, but it will take about 50 years to reach the level of medium-developed nations. Therefore, we hope for a peaceful period of at least 70 years. We should not let this period slip by." ("Important Speeches by Comrade Deng Xiaoping," p 44)

When talking about why our country's principles and policies must be kept unchanged for a long time, Comrade Deng Xiaoping pointed out: Our policy for resolving the Hong Kong and Taiwan issues according to the format of "one country, two systems," our policy of reform and opening, and our policy of opposing bourgeois liberalization should be kept unchanged for 50 to 70 years. This is not a casual remark, nor is it a remark prompted by a sudden impulse. This is based on a consideration of China's realities and the needs of China's development. "Our first step is to quadruple

production, and it will take 20 years. Then, it will take 30 to 50 years, and very probably 50 years, to complete the second step by approaching the level of the developed countries. To complete the two steps, it will take a total of 50 to 70 years." ("Building Socialism with Chinese Characteristics" (revised and enlarged edition) p 68)

In addition, Comrade Deng Xiaoping also talked about the relationships between achieving the grand objective and the work in the fields of national defense, scientific research, education, and spiritual civilization. In his talks, we can clearly find the starting point and the focus of attention from which Comrade Deng Xiaoping put forward a series of important thoughts, principles, and policies. Many remarks include profound and thought-provoking ideas, and are strongly convincing. We can also clearly see that the issue of the strategic objective holds an important position in his thought about building socialism with Chinese characteristics. It is in fact a concrete expression of our party's central task of "economic construction." All our policies serve the purpose of ensuring the fulfillment of this objective, which is of great political significance.

Recently, in his important talks during his inspection trip to the south, Comrade Deng Xiaoping once again stressed the need to maintain the party's line, principles, and policies that have been adopted since the Third Plenary Session of the 11th CPC Central Committee, and pointed out that the key lies in adhering to "one center, two basic points." He said that the basic line must be in force for 100 years without being shaken. At the same time, his talks also clearly show that the point that the basic line should be kept in force for 100 years is closely linked with the great objective of taking 100 years from the founding of the PRC to build ours into an intermediate-level developed country.

In order to ensure the fulfillment of the great objective, we must make efforts to guarantee the effective implementation of all established measures and plans. Comrade Deng Xiaoping also gave careful consideration to the question of how to carry out the strategic program, and issued many concrete instructions. Several points are particularly important.

—It is necessary to maintain a certain growth rate without wasting any time, and only thus can we guarantee the fulfillment of the strategic objective. This is Comrade Deng Xiaoping's consistent thought. He holds that to quadruple production in a period of 20 years, we are pressed for time and must waste no time. Otherwise, there is a danger that we will come to nothing. The 12th CPC National Congress in October 1982 established the objective of quadrupling the gross national product. As soon as the party congress was concluded, Comrade Deng Xiaoping immediately summoned the responsible comrades in the State Planning Commission and told them: Is the target of quadrupling really "achievable"? The 12th party congress said it is, and I believe it is. Whether it can be achieved will still depend on our work in the future,

however." "The period of 20 years can be divided into the first decade and the second decade. The first decade should make solid preparations for the second decade. The work of making preparations will also be pressing for time. So we must race against time, and we must take this very seriously." He required that the backbone construction projects in the fields of energy production and transportation be intensively arranged and carried out. "Those that can be started earlier should be started earlier with funds being concentrated on them. If they are started one year earlier, they can begin to yield returns one year earlier. They should not be put off until the next century." ("Building Socialism With Chinese Characteristics" (revised and enlarged edition) pp 6, 7) Comrade Deng Xiaoping later repeatedly pointed out: The period prior to the end of this century will be a period of crucial importance. We should get a clear understanding of the situation, grasp the opportunity, do solid and efficient work, raise the speed of economic growth, and strive to push the economy to a new stage every several years. At the same time, Comrade Deng Xiaoping also stressed that by racing against time and guaranteeing a certain growth rate, we do not mean to encourage an unrealistic high growth rate; instead, we still need to work in a down-to-earth manner to ensure good economic results and seek steady and harmonious development.

To ensure the strategic objective's realization, it is necessary to be fairly familiar with the situation. During the war of liberation, Comrade Mao Zedong often used the accounting method to predict the war's development. He said: If we eliminate eight enemy brigades every month, we can thoroughly defeat Chiang Kai-shek within three years. He required various strategic regions to divide up the work and assign a part to each to achieve this objective. Comrade Mao Zedong's method was one of being fairly familiar with the situation. The experience of the war has always left a deep impression on Comrade Deng Xiaoping. He maintained that, to realize the quadrupling [the annual gross value of industrial and agricultural output] objective, it is also necessary to be fairly familiar with the situation. In 1983, Comrade Deng Xiaoping went to Jiangsu to learn about the province's situation, particularly the concrete efforts it had made to achieve this objective. Soon after returning to Beijing, he called together some comrades in charge of central departments and forwarded some concrete plans for the country to achieve the quadrupling objective based on Jiangsu's example. He said: "All provinces and cities must have their concrete plans, and they must be fairly familiar with the situation." They still are not fairly familiar with the situation. Comrade Deng Xiaoping instructed the State Planning Commission to assign tasks to various provinces and cities and to make sure the tasks were assigned and all the comrades were fairly familiar with the situation. "We must help various provinces and cities solve their problems and help them create conditions so that their concrete plans can be carried out" ("Build Socialism With Distinctive Chinese

Characteristics," revised and enlarged edition, p 13). At the same time, Comrade Deng Xiaoping emphasized that as the situation varies from place to place, when working out concrete plans, it is necessary to deal with different things in different ways. He cited Japan's development as an example. Japan started to quadruple its gross output value in large cities. To quadruple China's gross output value, the output values of large cities where conditions are good should be increased at least eight-fold. But in some backward areas, it is necessary to realistically work out quadrupling plans in light of their concrete situations. Anyway, they must also know the situation fairly well. Recently, Comrade Deng Xiaoping emphasized that the areas with good conditions must strive for faster development. He said: Take Guangdong for example, it must reach several higher stages and strive to catch up with the "four small dragons" in Asia within 20 years. The development speed of Jiangsu and other better developed areas should be higher than the national average. For another example, Shanghai also has the conditions to develop faster.

To ensure the strategic objective's realization, it is necessary to grasp the foundation link. Agriculture is the foundation. Comrade Deng Xiaoping attached special importance to this issue and offered the most concrete guidance. He emphasized: "Agriculture is of fundamental importance. We should never forget this." He said: To double the agricultural output value, it is first necessary to increase grain output. "By 2000, based on a calculation of each person having 800 jin of grain, the grain output for 1.2 billion people should be 960 billion jin. We can reach this target only by increasing the grain output by more than 10 billion jin each year from now on" ("Building Socialism with Distinctive Chinese Characteristics," revised and enlarged edition, p 132). This is by no means easy to do. He required that "in our plans, it is necessary to decide what measures we will take to realize this objective. For example, it is necessary to calculate how much the grain output will be increased by applying more fertilizer, by improving seeds, by improving management, by promoting farmland capital construction, or by other means" (Ibid, p 11). He particularly emphasized science and technology's role in agricultural development. In October 1982, he forwarded his well-known viewpoint that "agricultural development relies on, first, policy, and second, science. Science and technology's development and role are boundless and unlimited" (Ibid, p 7). He said: American Chinese scholar Wu Chien-hsiung suggested that to solve its agricultural problems, China should develop bioengineering, which yields quick results with less investment. In my opinion, we should rely on this to increase our grain output to 960 billion jin by 2000.

To ensure attainment of the strategic target, it is necessary to rely on science, technology, and education. Comrade Deng Xiaoping said that science and technology constitute the primary productive force. Science and technology have developed rapidly over the past decade

or so. A breakthrough in the sphere of high technology and science has brought about development of a number of industries. Could our growth have been so rapid over the past few years without science and technology? We should advocate science, because there can be hope only by relying on science. China has made great progress in science and technology over the past decade, and we hope to make even greater progress in the 1990's. Every trade should have a definite strategic target and must be sure to win. China should also occupy a seat in the world in the sphere of science and technology. As early as in 1982, Comrade Deng Xiaoping pointed out: "To attain the target of quadrupling in 20 years, we should implement the policy on intellectuals and primarily resolve the problem of management and use of the ranks of scientists and technicians." ("Building Socialism With Chinese Characteristics," (revised and enlarged edition) p 8) In earnest, he pointed out again recently that old and middle-aged scientists are very important, as are young ones. I hope that all those studying abroad will return. They can come back, irrespective of their past political inclinations, and appropriate arrangements should be made after their return. This policy must not change. Tell them that, to make contributions, they had better return home. They should love their country and make it prosperous.

Resolute Struggle: Remove Interference To Accelerate Reform and Blaze New Trail, Seize Opportunity To Develop Ourselves and Realize Lofty Aspirations

Viewed from the above speeches and talks, we can see that Comrade Deng Xiaoping not only set forth the target and formulated a series of major principles and policies for ensuring attainment of the target, but also showed great concern for every step and link of the development. The realization of the grand strategic objective was trouble in his heart and a matter he always kept in mind. He repeatedly stressed the necessity of eliminating interferences from both the "left" and right, firmly gripping the fundamental link of developing productive forces, and working hard with one heart and one mind to realize the strategic target. He said: "The whole party and people should form this high resolve and keep to it without faltering." ("Selected Works of Deng Xiaoping" (1975-1982), p 213) "This should be done resolutely and wholeheartedly despite all interference." (Ibid., p 240)

From the end of 1986 to the beginning of 1987, Comrade Deng Xiaoping insisted on checking the turmoil with resolute and swift measures and then shifting as quickly as possible the focus of the whole party onto the modernization program and accelerating the pace of reform.

In view of some problems which cropped up in economic construction in September 1988, Comrade Deng Xiaoping and the CPC Central Committee made the decision on economic improvement and rectification and deepened reform. He emphatically pointed out that the achievements of the 10-year reform have been tremendous. Despite the problems that cropped up in the

course of development, we have confidence and have not lost hope of realizing the target of quadrupling by the turn of the century.

After the 1989 political disturbance, Comrade Deng Xiaoping, in his 9 June speech, said it was necessary to think about the past and future very soberly. What he thought about first was the strategic goals issue. He said: "Is our 'three-step' strategy for development correct? Is something wrong with the correctness of the line, principle, and policy we have formulated, now that the turmoil has happened? Is our goal a 'leftist' goal? Should we continue to use it as our future struggle's goal? We must give clear, unequivocal answers to these major questions." He said: "In my opinion, ours was not a 'leftist' judgment; nor was what we formulated an overly ambitious goal. Therefore, the answer to the first question should be that the strategic goal we formulated should not, to say the least, be counted a failure up to this point. It is a terrific event when a country with 1.5 billion people reaches the level of a semideveloped country in 61 years. We should be able to achieve this goal" ("Since the 13th Party Congress" pp 538-539).

On 4 September 1989, Comrade Deng Xiaoping met with the party Central Committee's new-generation leading collective and decided to completely quit office by resigning as Central Committee Military Commission chairman, his last post. He once again expressed his deep concern for the effort to accomplish the strategic goal. Brimming with feeling, he said: China achieving the second GNP doubling on schedule will also be socialism's success. I hope I am still alive then so that I can witness the victory of quadrupling the GNP.

Comrade Deng Xiaoping, 80-odd years old, has put all his heart, energies, and wisdom into changing China's backward state and realizing the strategic goal of modernization as soon as possible. Such a noble spirit of dedication is moving and admirable.

Recently, 88-year-old Comrade Deng Xiaoping, sparing no pains, inspected southern China with full zest and gave extremely important talks. He reemphasized the need to seize the opportunity to develop ourselves and ensure the strategic goal's accomplishment. The party Central Committee Political Bureau, following Comrade Deng Xiaoping's advice, met in full session in good time to discuss a number of major issues concerning reform and development; and emphasized the need to unswervingly implement the party's basic line of "one center, two basic points," seize the current favorable opportunity, speed up the pace of reform and opening up, and concentrate energies on boosting economic construction. The plenary session requested all party comrades to further enhance their conscientiousness in comprehensively implementing the party's basic line; guard against rightism, but mainly prevent "leftism," consistently pay equal attention to both; and greet the triumphant convening of the 14th party congress with outstanding achievements in reform and construction. We must fully recognize the great significance of Comrade Deng

Xiaoping's important talks and the Political Bureau Plenary Session's spirit, study and grasp their essence, firmly implement them, and put them into practice.

We should understand that over, the last 10 years or so, many developing nations in the world have taken serious account of the actual situation and have adopted more flexible economic policies amid intense international competition. They have achieved prominent results in this respect. Take the Asia-Pacific region as an example. Four new small dragons in southeast Asia are appearing subsequent to the four small dragons in east Asia. They are trying out every possible means to catch up. Some people said the GNP's of the old and new four small dragons in Asia will amount to \$1 trillion by the end of this century. The challenge to us will be severe at the end of this century. According to an estimate by Comrade Deng Xiaoping, the challenge in the next century will be even more severe. To fulfill our development strategy, we must carry out bold explorations in practice. In the past, the armies led by Liu Shaoqi and Deng Xiaoping entered the Dabie Shan area after fighting their way for thousands of miles despite difficulties. They achieved a victory in an extraordinary way, thus fundamentally changing their passivity. This portrayed the courage and resourcefulness of these strategists. Economic construction has its own law, is a very complicated system of engineering, and requires advanced science. But to "fight a way out" amid the current increasingly intense international economic competition and to speedily develop China's backward economy, we indeed need the courage and resourcefulness of strategists like Mao Zedong and Deng Xiaoping and should blaze a new trail in practice. Over the last 10-odd years, Comrade Deng Xiaoping has proposed a number of major policies, including those on reform and opening up, building special economic zones, allowing some people to become better off ahead of others for common prosperity, one country two systems, and so on. All these give expression to such courage and resourcefulness as well as creativity in scoring victories in an extraordinary way. Just imagine, could we have achieved these tremendous achievements without these policies and principles? The changes in some socialist countries in recent years remind us to uphold the four cardinal principles in a clear-cut way, to oppose bourgeois liberalization, and to guard against the danger of peaceful evolution. In the meantime, these changes also suggest that we must hold firm to the central task of economic construction, further emancipate the mind, and resolutely carry out reform. Emancipating the mind is a long-term task on China's ideological front and is also an urgent task at present. Only by emancipating the mind, carrying out bold reform, blazing new trails, and producing actual results can we preserve the youthfulness of Marxism and the powerful appealing force and limitless vitality of the socialist system.

The Chinese nation has cherished a dream in the last 100 years—a dream to really stand aloft among world nations and remain worthy of being a large nation with a long history and civilization. Now Comrade Deng

Xiaoping and the party Central Committee have formulated a grand three-step development strategic target for modernization. A first-step major victory has been scored. This dream is coming true and will finally become a great and brilliant reality. Comrade Deng Xiaoping said this is China's lofty aspiration and is "really the lofty aspiration of the Chinese nation." Let us unite under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, advance with enterprising spirit along the road of building socialism with Chinese characteristics pointed out by Comrade Deng Xiaoping, and work selflessly for the realization of this lofty aspiration!

RENMIN RIBAO Urges More Economic Growth

OW2704141792 Beijing XINHUA Domestic Service
in Chinese 1146 GMT 27 Apr 92

["Full text" of 28 April RENMIN RIBAO Editorial:
"Reach a Higher Level in a Down-to-Earth Way"]

[Text] Beijing, 27 April (XINHUA)—Comrade Deng Xiaoping's important talks during his inspection tour of southern China are like a gentle spring breeze blowing across the vast land. All localities across the country are seizing the opportunity and adopting effective measures to accelerate reform, opening up, and economic development, and are striving to raise China's economy to a higher level. The situation is inspiring.

The growth of the national economy must be maintained at a certain rate. If we do not achieve this growth rate, we will be unable to narrow the gap between ourselves and the developed nations, and in the future, we will not be able to attain the second-step and third-step strategic objectives of development. We must further emancipate our minds, establish high aims and lofty aspirations, accelerate the pace of economic construction, and strive to raise China's economy to a higher level every few years.

It is our aspiration to accelerate economic development, and this aspiration is well-founded. Whether this aspiration can be fulfilled mainly depends on whether our principles, policies, and measures are correct, as well as on where we devote our efforts.

Our efforts should be devoted to reform and opening to the outside world. Only reform can liberate the productive forces and stimulate the vitality and vigor of economic development. Profound problems of the national economy and problems concerning the economic efficiency of large and medium-sized state enterprises can be solved mainly through reform. As long as the 30,000 large and medium-sized backbone enterprises across the country are invigorated, it will not be difficult to solve problems, such as those involving the growth rate, funding, and efficiency. For this reason, the first thing to do in order to accelerate development is to quicken the pace of reform. Our efforts must be solidly devoted to changing and improving the operating mechanism of

enterprises, changing government functions, improving the market system, and reforming the social security system.

An important part of the effort to accelerate development is opening to the outside world. Only by opening to the outside world can we broaden our vision, see the entire world, look closely at ourselves, and enhance our sense of urgency and responsibility. Only by opening to the outside world can we link our economic development to international trade, participate in international competition, exchange market information, and examine our economic development level in accordance with international standards. Only by opening to the outside world can we import capital and technology and introduce to our country talented people and advanced management experience to make up for our deficiency. If the pace of reform and opening is not accelerated, we will be unable to speed up the overall development of the national economy.

Efforts should be devoted to readjusting the economic structure and improving economic efficiency. Only a rational structure can yield maximum benefits. Only growth rates that yield benefits can be regarded as real growth rates. We must accelerate the comprehensive development of agriculture and the rural economy, strive to increase the peasants' income, expand the manufactured goods market, and provide adequate raw materials for the development of industry. We must accelerate the development of infrastructure and basic industries; solve the "bottleneck" problems in the energy, communications, posts and telecommunications, water conservation, and raw and semifinished industries; accelerate the development of service trades; improve the quality of production and livelihood; and create conditions for expanding employment. New projects must be subject to industrial policies, with the capacity of basic industries taken into account; otherwise it will lead to duplication in construction and equipment imports, resulting in new imbalances. A high growth rate under a distorted structure is not really a high growth rate. Outward expansion is inevitable if we are to achieve overall economic growth, but internal improvement is even more important and difficult. We must continue to keep quality, variety, and efficiency in mind.

Efforts should be devoted to promoting scientific and technological progress and to improving the quality of laborers. Attaching importance to and increasing investment in science and technology and accelerating the development of intellectual resources, the application of new techniques and technologies, and the commercialization and application of new and high technology in industry are the inexhaustible fountainhead and strong pillars of economic development. In launching new projects or carrying out technological updating in the future, we must use new and high technology as much as possible. If there are not enough funds, we would rather start fewer projects than duplicate projects that employ low, outdated technology. Economic development in the future should rely mainly on greater application of new

technology. Only an economy that is founded on new technology can be regarded as a modern economy.

Efforts should be devoted to developing and expanding the market. The commodity economy is guided by the market. A commodity that has no market is one that has no exchange value and thus is of no use as a commodity. Market restraints are a salient contradiction in economic development today. Blindly launching new projects and increasing output without expanding the market can only increase stockpiles, tie up funds, and lead to poor economic returns. Our country is in the transition from just having enough food and clothing to having relatively greater affluence, and the people's consumption is rising. We must investigate and analyze the objective demands of this transitional period on economic development, study and forecast market trends at home and abroad, keep a close watch on and develop the market, readjust the production structure in a timely fashion, and manufacture a wide variety of goods that are up to standard and meet market demands.

Efforts should be devoted to improving scientific decision-making regarding development strategies. The development of the national economy involves all facets of the situation as a whole and embraces a huge set of complicated and systematic projects. All localities and departments must pay close attention to macroeconomic control and overall planning, set their own strategic priorities and main targets of attack, and carry them out in an orderly fashion. We will never get anywhere if we act haphazardly, at the whim of the moment. In accelerating economic development we must respect the law of the economy, pay attention to striking a balance between total supply and demand, analyze objective conditions, and carry out our work in a down-to-earth manner. Leading units and comrades must proceed from the actual conditions in their respective localities or departments, carry out deep-going research and investigations, formulate overall plans, conduct repeated feasibility studies, and make the decision-making process more scientific. When we are certain of a particular point, we should boldly carry out our attempts and boldly blaze new trails.

China has accumulated both positive and negative experiences from its 40-plus years of experience in building a socialist economy and over a decade of reform and opening up. The overall quality of cadres has improved markedly and their understanding of the law of construction is more profound than in the past. As long as we implement the party's basic line persistently and work hard in unison, it is entirely possible for our reform and opening up to march along the sound path with giant strides.

Article Views Power Struggle Within CPC

*HK2804104592 Hong Kong MING PAO in Chinese
26 Apr 92 p 20*

[Article by Hu Hsiu-yuen (5170 4423 0954): "Leading Leftists Remain in Power; It Is Hard To Say Which Side Will Win Before 14th Party Congress"]

[Text] The Qingming Festival is over; so is the foreign version of the Qingming Festival, the Easter holiday. In the city of Beijing and all over China, this is a time when "The east wind blows and the vernal scene meets my eye." So they describe.

Green are the willows, pink are the peach blossoms. Not only the willows, but all the trees are green; not only peach blossoms, not only one type of peach blossom are pink, but ordinary peach blossoms, mountain peach blossoms, and blossoms of green peaches, as well as apricot blossoms and elm-leaved plum blossoms. Besides, there are also white peach blossoms, plum blossoms, pear blossoms, and lilac blossoms; early lilac and half-red, half-purple Chinese crabapple flowers and cherry blossoms. The red and purple Chinese peonies are about to flower while the white and purple yulan magnolia have already withered...

But greeting the eye is only nature's spring. In Beijing and in the Forbidden City, such an enchanting spring scene is not found.

People are waiting for the autumn, or even the winter, when the 14th National CPC Congress will be convened.

Only then can one tell whether it is really like what is described by the line "the east wind blows and the vernal scene meets my eye." At the moment, rumors and speculations are diverse and confusing, and all kinds of information has filled people's ears. It is still hard to say how it will finally turn out.

This period is hardly worthy of the title of spring. We do not have to go too far back into history. Since the "Cultural Revolution" ended, one has heard too many statements about the coming of a certain "spring" (e.g. "a spring in the literary and art world"). But it so often happens that no sooner has spring shown its face than an austere autumn or even harsher winter comes. People are no longer believing.

"Right Ear" and "Left Ear"

"The east wind blows." The "east wind" we are talking about here refers to what is dubbed by Hong Kong and overseas people as the "Deng whirlwind."

When he was alive, Mao Zedong often said: "It is either the east wind prevailing over the west wind or the west wind prevailing over the east wind." But who is the "west wind?"

There are two new terms today: the "Right Ear" and the "Left Ear" [referring to the Chinese character for the term "radical" which looks like a human ear and is present in both the Chinese character for Deng Xiaoping's surname "Deng" and that for Chen Yun's surname "Chen"]. When the "ear" is on the right side with "deng [4098]" to its left, it is "Deng"; when the "ear" is on the left side with "dong [2639]" to its right, it is "Chen."

"Right ear" Deng visited southern China around the Spring Festival this year and urged "left ear" Chen, who

was then in Hangzhou, to have a look at the special economic zones in the south as well. "Left ear" took no notice of his advice and refused to budge.

"Right ear" talked throughout his tour. "Left ear," silent on the surface, seemed to be trying to overpower his voice with silence.

Gao, Wang, and He All Feel Attached to Their Posts: They Are Still In

The voice was heard in Shenzhen and Shanghai; silence prevailed in the capital city. It was only later that the capital city reluctantly uttered some sound. RENMIN RIBAO, which has always been the pacesetter for the whole country, was following the others. Not exactly. Even up to this point, it still refuses to use its own voice, an editorial, to repeat even reluctantly the words of others about "mainly preventing 'leftism.'"

Though criticism of RENMIN RIBAO and "leftism" have been heard from among grass-roots members of the RENMIN RIBAO community, Gao Di, the top figure as well as the most "leftist" person in the office, is still his old self. Though rumor has it that he has long been blacklisted by Deng Xiaoping, he is, with some backing, still holding out without collapsing.

Wang Renzhi and He Jingzhi, also rumored to have been blacklisted by Deng, are similarly still in and seem fixed to their posts.

As for He Jingzhi, it was recently said that he went to Hangzhou. Earlier, he was believed to have been lying low in Yixian County. Yixian County is in Hebei, where Xiling, a Qing dynasty tomb, is located. He summoned his followers of all ranks from the cultural (mainly literary and art) sector to a black (as there was no formal announcement) meeting called the "Xiling Conference." Since he has now gone to Hangzhou, another group has gone there too.

Previously, it had been said that a work team sent by the party Central Committee had entered the Ministry of Culture and RENMIN RIBAO. It was later found out that the team did not go to RENMIN RIBAO but did enter the Ministry of Culture. This indicates that He Jingzhi is probably the one to be made a example of. Even so, he is still tough, just like Gao Di. As much as his wife's nominal dad Wang Zhen is sick and has a bad name, he is still very tough.

Another rumor has it that Wang Zhen is still charged with important responsibilities, hand in hand with Song Renqiong (or Bo Yibo according to another source), and is the leader of the preparatory team for the 14th National CPC Congress.

What has been publicly announced, not hearsay, is that, among senior leaders, Peng Zhen, Bo Yibo, and Song Renqiong have all voiced their support for the reform and opening up and for "right ear" Deng. Those who have not include another Deng (i.e. Deng Yingchao), Wang Zhen, and Li Xiannian, who only expressed his

support for the Three Gorges Project and made no statements, not even in passing, in support of reform and opening up. The two Dengs are the same age. Big sister Deng is mainly concerned, they say, only with another Li, that is, the young Li Peng.

Therefore, there is a force supporting Wang Renzhi, He Jingzhi, and Gao Di, who sing "steadfastly we stand our ground [a line from one of Mao Zedong's poems]," though this "steadfastness" is perhaps only temporary and will last at least until the autumn when the 14th party congress opens. "Right ear" also has on his side a Yang from among the eight octogenarians, namely, Yang Shangkun. Yang Shangkun is also one of the two Yangs who control the military; the other is his brother. Long ago, Yang Baibing made a statement that the Army should "escort" reform and opening up. JIEFANGJUN BAO recently published an editorial on the "shared destiny" of the Army, the party, and socialism, and reform and opening up.

Guns on Right Side Versus Pens on Left Side

The "right" side has guns. The "left" side has pens in Beijing. The pens of the "right" side are in Shanghai.

The "left" side, grasping both the media and organizational work, has occupied many fronts and is therefore rather tenacious.

In press circles, the strategist is Deng Liqun. Confirmation is necessary for a story that he has already been removed as head of the CPC Central Committee leading group for ideological work, and that the vacancy has been filled by Li Ruihuan himself, who has always been in charge of ideological work, and that other members of the group, Wang Renzhi, He Jingzhi, and Gao Di, have also been dismissed. When "leftism" is still strongly present in press circles, one cannot help but doubt the validity of this story.

A story, which is obviously a political joke, goes: "Right ear" asked Li Ruihuan why he lets these people dominate the media. Feeling helpless, Li replied: "Respecting it [read in Chinese as "jing zhi," referring to He Jingzhi], loving it [read in Chinese as "ai zhi," referring to Ai Zhisheng], tolerating it [read in Chinese as "ren zhi," referring to Wang Renzhi], and being numb to it [read in Chinese as "mu zhi," referring to Yuan Mu or Mu Qing], one cannot tell who is high and who is low [read in Chinese as "gao di," referring to Gao Di]." Someone requested a second line for the couplet and got this one: "Moldy, stinking, rotten, and blurred, it is neither left nor right." This line was challenged for not matching the first line well enough, as those epithets are not names. A party member defended this line, saying that it refers to "my humble party [bi dang 2411 8093]," not any specific individual. Another party member said: It does not refer to "my humble party" but to "faulty party [bi dang 1705 8093]," and if it goes wrong and is absolutely unrepentant it will become a "dead party [bi dang 2426 8093]." The party will die but not the country. The example of the Soviet Union and East Europe is not very far away!

Here, a crucial point is brought up: Carrying out economic reforms alone without reforming the political system or the party will not work.

It Will Not Work If Party and Political System Are Not Reformed

The current situation is: "Left ear" is high above with his followers controlling most of the media and dominating most of the administrative departments. This is why the tenacity lingers.

There is still a lot of fighting to be done at the moment. The conclusion or compromise will only be seen when the 14th party congress opens.

Though "right Ear" seems to have the upper hand for the time being, however, it is not all smooth sailing for him.

People are, after all, happy about this "Deng whirlwind," but dare not become overoptimistic, as the 4 June events still loom.

Talking about the 4 June incident, it is said that "left ear" once commented: "The 10-year reform was too rightist, whereas the guns on 4 June were too leftist." This story is not actually true, because "left ear" endorsed the shooting on 4 June. Stories about how he objected to it are not true.

Here is another untrue story: Wang Renzhong, who died recently, is said to have made a relatively mild judgment on Zhao Ziyang. This is not true. Simply because some members of the top echelon objected to their harsh judgment, it had to be withdrawn. Wang had always been on the "left" side.

Shenzhen Shows Documentary on Deng's South Trip

HK2804022792 Hong Kong THE STANDARD
in English 28 Apr 92 p A-7

[By Cary Huang]

[Text] Moderates within China's ruling Communist Party are stepping up the nationwide reformist campaign by making a TV documentary to publicise paramount leader Deng Xiaoping's trip to the south.

Following a successful propaganda blitz launched from the reformist strongholds in the south during past months, Deng faction members instructed Shenzhen Special Economic Zone (SEZ) party authorities to build on the campaign, according to Chinese sources yesterday.

With instructions from party ideological and propaganda chief Li Ruihuan, the party's Shenzhen Municipal Committee and Shenzhen TV late last week broadcast the documentary which included the most detailed itinerary of Mr Deng's trip so far and a full text of the patriarch's remarks.

While praising the regional authorities' work on publicising Mr Deng's trip, Mr Li said there were still opportunities to expand on Mr Deng's message.

"You have done a pretty good job in propagating comrade Deng Xiaoping's thought, but I still would like to advise you that there are grounds to explore in the field," Mr Li said.

The hour-long Shenzhen TV film was seen as a move to break attempts by hardliners to block Mr Deng's reform drive in the north, Chinese analysts said.

During the film, Mr Deng said: "Old people are aware of their own limitations and refrain from doing things that would hinder others' duties. The older you are, the more cautions you should take [as published] to avoid making mistakes in your last years."

The remarks were an apparent warning to other party elders whom Mr Deng thought have put up the most stubborn resistance to reform.

Mr Deng's remarks during the trip have so far been widely circulated in the party's No 2 document. Reports of the visit have also been printed in national and local newspapers. Some TV footage has also been seen on the national network.

But the reports and TV footage were not as detailed as the documentary.

Analysts said the latest move would prompt another round of pro-Deng, reformist propaganda as other regional or even national TV networks would follow suit and air the documentary.

They said it was unusual for the authorities to fully publicise Mr Deng's remarks which included sharp criticisms of conservatives.

Professor Advises Study of Deng's Speeches

HK2804013792 Hong Kong MING PAO in Chinese
13 Apr 92 p 59

["Special dispatch": "Sun Changjiang Says That China Needs Stability While Deepening Reform, Advises Students Not To Be More of a Hindrance Than a Help"]

[Text] Sun Changjiang, a well-known intellectual in Beijing and professor at Beijing Teachers' Training College, maintains that China now needs a stable environment to deepen reform and that undergraduates must understand the gist of Deng Xiaoping's speeches very well and not take rash action; otherwise, they will be used by "leftist" people to attack the reform and opening up line and become "more of a hindrance than a help." Sun Changjiang was a former deputy chief editor of KEJI RIBAO. Interviewed by a reporter of this newspaper in Beijing a few days ago, he said that Deng Xiaoping's speeches delivered during his southern inspection tour were very good and good for the south of China, Hong Kong, and even the whole world.

Sun Changjiang declared: This was, in fact, the second time Deng Xiaoping had appeared after delivering speeches in Shanghai during the Spring Festival last year, but there are still obstacles from the "left," and we cannot be overly optimistic. For example, views of the DANGDAI SICHAO articles supported by Deng Liqun are different from Deng Xiaoping's spirit, and the leftists hope to protect their power and positions on the one hand and wait for an opportunity to launch counterattacks on the other. Therefore, he maintains that Deng Xiaoping's spirit is to be implemented and he hopes that the "Deng whirlwind" will blow to the end.

Sun Changjiang declared: The spirit of Deng Xiaoping's speeches has now been absorbed by the CPC Central Committee Political Bureau conference, the National People's Congress session, and the government work report. He hoped that his speeches could be compiled into collected works as they really are.

Beijing's ideological departments are still controlled by the "leftist" force. Sun Changjiang said: Intellectuals universally hope to implement Deng Xiaoping's spirit and it is most important to take measures in the personnel aspect.

In dealing with the undergraduate issue in Beijing, Sun Changjiang maintained: The undergraduates must study very well and understand the gist of Deng Xiaoping's speeches and not take rash action, like processions. The "leftists" hope that the students will make trouble. Therefore, the undergraduates must not take rash action.

Sun Changjiang was discharged as deputy chief editor of KEJI RIBAO after the "4 June incident." He now teaches in the Department of Politics and Law at Beijing Teachers' Training College, and is still a CPC member. He said that he was not affected in other aspects and was energetic and hoped to continue to do his best in China's reform and opening up.

Sun Changjiang studies China's culture and philosophy. He worked in the Central Party School from 1977 to 1982 and was transferred to KEJI RIBAO in 1985.

Li Ximing Urges Scholars To Study Deng Theory

OW2704224192 Beijing XINHUA Domestic Service
in Chinese 1334 GMT 27 Apr 92

[By reporter Luo Xiaolu (5012 2556 6424)]

[Text] Beijing, 27 April (XINHUA)—A large number of young outstanding intellectuals in Beijing, bravely advancing and boldly exploring the practice of reform and opening up to the outside world, have come to the forefront from the scientific research, production, educational, and medical fields.

There are 230,000 young intellectuals under 35 years old in Beijing. They are active in the production and scientific research fields. Working hard in a pioneering spirit, they are gradually becoming the main force of all trades and professions.

The Beijing Municipal CPC Committee and the Beijing municipal government have created good conditions for the outstanding young intellectuals to come to the forefront and have encouraged them to integrate themselves with reform, opening up to the outside world, and economic construction, to devote themselves to the motherland's four modernizations drive, and to contribute to the building of the two civilizations. The municipal party committee and municipal government have also launched extensive activities to evaluate and select outstanding young intellectuals.

On the eve of the 4 May Movement, 195 outstanding young intellectuals under 35 years old were selected from various fields at the recommendation of districts, counties, bureaus, corporations, and schools of higher learning. Of these 195 intellectuals, 98 have won 210 prizes in the fields of invention, natural sciences, and scientific and technological progress, and spark prizes.

These outstanding young intellectuals, fearing no hardships, persisting in working hard on the scientific research front for many years, and adopting a correct attitude toward honor, have good professional ethics.

The Beijing Municipal CPC Committee and the municipal government commended the representatives of these intellectuals today. Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing Municipal CPC Central Committee, said that reform and opening up to the outside world, economic development, and building socialism with Chinese characteristics provide the young intellectuals with a very broad and very good opportunity to use their talents. He expressed the hope that the masses of young intellectuals will conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; adhere to the party's basic line of "one center, two basic points," and do not waver for 100 years; and work hard to scale the peak of successes. Responsible persons from the organizational department of the CPC Central Committee and the Personnel Ministry also extended sincere congratulations to the outstanding young intellectuals.

The representative of the outstanding young intellectuals made the following appeal to all young intellectuals in Beijing: Let us comprehensively implement the party's basic line of "one center, two basic points," increase our skills in practice, and strive for outstanding achievements at our ordinary posts.

Correction to 'Notes' on Deng's Zhuhai Tour *CM2804154992*

The following correction pertains to the item headlined "'Notes' on Deng Xiaoping's Zhuhai Tour, Remarks," published in the 17 April China DAILY REPORT, page 21:

Page 23, column two, third full paragraph, sixth sentence reads ...let you down, but will use concrete action to promote high... (rewording);

Page 25, column one, fifth paragraph, fifth sentence reads: ...Whoever opposes reform and opening up will fall from power [kua tai 1006 0669]. In short, there... (rewording, supplying STC's);

Page 26, column two, second full paragraph, last sentence reads: ...cities of Gongbei, Jida [0679 1129], Xiangzhou, and Tangjia.... (changing "Jidai" to "Jida," adding STC's);

Same column, fourth full paragraph, first sentence reads: ...car to tour Jida, Xiangzhou, and Tangjia.... (changing "Jidai" to "Jida");

Same page, second column, second full paragraph, fourth sentence reads: ...Xiaoping then said: I think it is more than that amount. If it were only that much, they could not... (rewording).

Comparison to 'Notes' on Deng's Zhuhai Tour *CM2804155892*

Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 17 on 27 April 1992 carries on pages 3-6 an article by Zhu Tao (2612 3447) entitled: "Spring in the South Sea—Notes on Deng Xiaoping's Zhuhai Tour". This article has been compared with the Hong Kong WEN WEI PO version published in the 17 April China DAILY REPORT, page 21, revealing the following variations:

Page 22, column two, fifth full paragraph, last sentence reads: ..."I congratulate you, I congratulate you young people."

He then walked... (rewording)

Page 23, column two, third full paragraph, second sentence reads: ...you?" You said: "Fifty-one." Hearing the answer... (changing "forty-one" to "fifty-one");

Page 24, column two, first paragraph, first full sentence reads: ...the state over 29 million yuan of... (changing "20" to "29");

Same paragraph, third full sentence reads: ...the company earned \$28 million in foreign... (changing "26" to "28");

Page 25, column two, first full paragraph, last sentence reads: ..."This is good."

Eighty minutes elapsed, and the revolving... (changing "Thirty" to "Eighty").

Science & Technology

Jiang Zemin, CAS Academicians View Development
*OW2404202592 Beijing XINHUA Domestic Service
in Chinese 1221 GMT 24 Apr 92*

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporter He Ping (0149 1627)]

[Text] Beijing, 24 April (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, emphasized today: To promote the economy, it is first necessary to develop science and technology. The entire party and society should foster a common understanding of Comrade Xiaoping's exposition on the function of "science and technology as the primary productive force," while leading cadres at all levels should conscientiously implement the exposition.

General Secretary Jiang Zemin invited some academicians attending the sixth plenary session of the Council of Academicians of the Chinese Academy of Sciences [CAS] to a discussion at the Huairan hall in Zhongnanhai from 1500 to 1830. Among the academicians were some old and new friends of the general secretary's. Both old and new academicians held discussions with the general secretary about the formulation of sound strategies for promoting science and technology and the economy.

On behalf of the party Central Committee and the State Council, Jiang Zemin paid tribute and expressed heartfelt thanks to the 509 academicians who had made remarkable contributions to our country's modernization drive. He said: It is our sincere hope that the academicians will often express their opinions and suggestions so that we can effectively advance our quest for a scientific and democratic process of making our country's major policies.

At the discussion, CAS President Zhou Guangshao first gave a briefing on the sixth plenary of the Council of Academicians that opened in Beijing on the 20th. Afterward, academicians Hou Xianglin, Huang Yaozeng, and Zhao Yufen from the CAS division of chemistry; academicians Zou Chenglu, Xu Guanren, Chen Keji, and Wu Zhengyi from the division of biology; academicians Li Jiaming, Su Buqing, and Qian Weichang from the division of mathematics and physics; academicians Su Jilan and Cheng Yuqi from the division of earth sciences; and academicians Wang Xuan, Gu Songfen, Wang Daheng, and Zhang Guangdou from the division of technical science spoke in turn. In addition, a joint written statement from 59 academicians was delivered. In their speeches, the academicians expressed their views on the conversion of scientific and technological achievements into productive forces; the importance of research into

engineering technology and basic disciplines; an innovative approach toward scientific research; training of personnel; the current state of basic research and difficulties encountered in such research; resources, environment, and new and high technology and its industrialization; and the aerospace industry. They also made many constructive suggestions in this regard.

After listening attentively to the opinions and suggestions offered by the scientists, Jiang Zemin stated: For sometime in the recent past, Comrade Deng Xiaoping's important remarks and the guidelines of the plenary session of the Political Bureau of the CPC Central Committee have provided inspirations that have given rise to a very good situation on all fronts throughout the country in advancing the program of reform and development. The central authorities have called on the entire party to further emancipate its mind, to display greater courage, to seize the opportune moment to accelerate reform and opening, to concentrate on developing the economy, and to strive for a new level of national economic development within the next few years. He said emphatically: People of all nationalities throughout the country should work together to constantly achieve new levels of development in the national economy. The most crucial approach is to earnestly shift the focus of economic construction to scientific and technological progress and to improvement of labor quality.

Jiang Zemin noted: Comrades on the scientific and technological front bear the important tasks of developing our country's science and technology and of promoting economic and social development. The bulk of scientific and technological forces should be devoted to the principal task of national economic construction, and scientific and technological achievements should be quickly converted into practical productive forces. Scientific and technological means should be employed to solve problems pertaining to industrial and agricultural modernization, such as exercising effective control over population growth and relieving the pressure exerted by population growth on resources and the environment. While strengthening basic industries, it is necessary to actively establish and develop new and high technology industries and to encourage them to play a more important guiding role in national economic development. It is essential to organize proficient scientific and technological forces to research new and high technology in a planned manner, to strengthen basic research, to expand the scientific and technological reserve pool, and to scale new heights.

Jiang Zemin expounded the issue of promoting science and technology from various perspectives. He said: The most important element in promoting science and technology is personnel. The party and government should concentrate on raising the awareness of the entire nation about science and technology, while at the same time creating conditions for the development and expansion of the scientific and technological ranks. It is necessary to maintain and promote the social practice of respecting knowledge and talented personnel, so that the younger

generation will be attracted to and fond of science, and that more people will conscientiously dedicate themselves to scientific programs. A material foundation is needed for promoting science and technology. Aside from developing the spirit of hard work, governments at all levels, large and medium-sized enterprises, and all relevant sectors of society should try their best to increase their input in science and technology. Scientific and technological restructuring must be further deepened to promote science and technology. The key to accomplishing this effort lies in instituting and improving new structures and operating mechanisms that are conducive to the fusion of science and technology with the economy, so that the initiative and creativity of the masses of scientific and technological workers will be fully aroused and inspired.

In conclusion, Jiang Zemin said: The 1990's are a crucial period for the country's modernization drive. The entire party and people throughout the country entertain high hopes for the scientific and technological community. It is hoped that all the academicians and the broad ranks of scientific and technological workers will work in concert, wage an arduous struggle, and prove themselves worthy of the trust of their contemporaries, their country, and future generations by making historic contributions toward carrying forward China's socialist modernization drive and rejuvenating the Chinese nation under the guidance of the party's basic line of "One Central Task and Two Basic Points" and in close conjunction with the central task of economic construction.

Wen Jiabao, Yan Jici, Song Jian, Lu Jiaxi, and responsible persons from relevant departments attended the discussion.

New and old academicians who attended the discussion included: Ye Duzheng, Feng Depei, Yan Dongsheng, Wu Heng, Tu Guangchi, Tang Aoqing, Li Zhensheng, Zhang Zong, Ma Dayou, Wu Wenjun, Wang Shouguan, Zhang Qinglian, Chen Guanrong, Ye Lianjun, Shi Yafeng, Chen Fangyun, Shi Changxu, Huang Kun, Wang Debao, Wu Jieping, Sun Honglie, Zhang Bingxi, Lin Lanying, Qian Lingxi, Gao Jingde, Hu Renyu, Wang Fosong, Ju Gong, Chang Yinbo, Ouyang Ziyuan, and Zhang Cunhao.

Youth Academic Meeting Convened in Beijing

OW2504123492 Beijing XINHUA in English 1156
GMT 25 Apr 92

[Text] Beijing, April 25 (XINHUA)—The first annual meeting of young scientists, the largest in China and sponsored by the Chinese Association of Science and Technology (CAST), opened here today.

The opening ceremony of the conference, with over 600 formal delegates, was held in the Great Hall of the People, attracting some 3,500 young participants from science academies and institutes in the capital.

Conference organizers told XINHUA that the meeting, with the theme "Science Strengthens National Power, and Youth Explore Bright Future", focuses on almost all aspects of modern natural sciences.

The individual subjects covered by the papers include high and new technologies such as electronic information, bio-engineering, new-generation energy techniques, laser, new materials, automation and maritime engineering.

Also to be discussed at the conference are subjects related to resource-efficient economies, and studies on population, natural resources and environment, which have direct bearing on social and economic development.

According to informed sources, the conference will reflect the general academic level of Chinese young scientific workers. It is also regarded as an effective boost to the training of more young scientists, of whom China is now in need.

Zhu Guangya, CAST president and a famous scientist, said at the opening ceremony that today's young people now engaged in scientific and technological studies are part of the country's "lucky generation".

"The Chinese Government attaches much importance to the training of young talented personnel," Zhu said.

The scientist added that CAST will, in cooperation with all sides of society, try its best to enlarge the opportunities for young people to participate in national and international academic exchanges and studies.

Of the formal representatives at the conference, two thirds have master's or doctor's degrees. Thirty nine of them currently study abroad and returned to China for the grand occasion. There are also several invited representatives from Taiwan and Hong Kong.

Sources said that in the three months since the planned convening of the conference was made known to the public, over 8,700 academic papers were sent from China and abroad to the secretariat of the conference. A number of selected papers, one out of every 14, are said to have reached international levels, the sources added.

To expand its social influence, the meeting will be followed by over 40 "satellite meetings" across the country late this year, all on special branches or topics of natural sciences.

The three-day conference will result in two proposals, one on the training and employment of young scientists in China, which is to be handed to the government, and the other, an enthusiastic call on the young scientists across the country to contribute to China's modernization drive.

Song Jian, Wen Jiabao Attend

OW2604010492 Beijing XINHUA Domestic Service
in Chinese 0754 GMT 25 Apr 92

[By trainee Liu Gang (0491 0474)]

[Text] Beijing, 25 April (XINHUA)—A grand gathering of young Chinese science and technology workers, the first annual academic meeting of young scientists sponsored by the Chinese Association of Science and Technology (CAST), opened in Beijing today. More than 700 scientific talents and over 2,500 young science and technology personnel from various institutes of higher learning and science academies and institutes in Beijing attended today's opening ceremony in the Great Hall of the People.

The annual meeting is China's first national, large-scale academic meeting involving multidisciplinary aspects for young science and technology workers. Attending the meeting were 646 formal delegates and 85 specially invited delegates. These delegates included young science and technology workers of various nationalities from various trades, professions, and fronts; from overseas where they are currently studying; and specially invited representatives from Hong Kong and Taiwan.

On behalf of the annual meeting's executive committee, young scholar Feng Changgen delivered an opening speech. At the meeting, CAST Chairman Zhu Guangya submitted a report entitled "Science and Technology Strengthen National Power; Youth Explore and Create the Future." He pointed out in his report: Young science and technology workers are becoming and will become China's backbone and mainstay of science and technology at the turn of the century. Entrusted with a glorious but arduous historic mission, they have a heavy responsibility and a long road ahead of them. He urged them to promote patriotism, to have full confidence in the future, and to be worthy of our great cause and our era.

Attending today's opening ceremony were Wen Jiabao, Yan Jici, Lei Jieqiong, and Song Jian. They sat with the young science and technology workers. Before the meeting, they posed for photographs with conference delegates.

Also speaking at today's opening ceremony were young scientist delegate Chen Zhangliang and veteran scientist delegate Wang Dezhaoh. At the meeting, they exchanged academic experiences.

The annual meeting will close on 28 April.

Song Addresses Closing Session

OW2504230692 Beijing XINHUA Domestic Service
in Chinese 1426 GMT 25 Apr 92

[Text] Beijing, 25 April (XINHUA)—Speaking at today's closing ceremony of the sixth general assembly of academicians of the Chinese Academy of Sciences

[CAS], newly elected academician State Councilor Song Jian underscored the need for the scientific and technological sector to go all out to promote sound ethics in science and technology as well as a strict approach toward science.

Song Jian said: Maintaining sound ethics in science and technology and a strict approach toward science constitutes the fine moral character of the broad ranks of scientific and technological workers in our country. During the 1960's, we demanded "strictness in three areas"—strict demands, strict attitudes, and strict academic styles. Through their rigorous and down-to-earth approach toward learning and academic exploration, our country's scientists and technicians have pioneered the cause of science in New China and have achieved world-renowned results.

Song Jian noted: Many academicians have recently expressed concern about moral issues involved in our country's scientific and technological work. They have made many important suggestions for promoting sound ethics in science and expressed many good ideas for evaluating and disseminating scientific research findings and for correctly handling erroneous findings and conclusions. We must resolutely remedy such practices as advertising "evaluation results" as if they were commodities, forcibly obtaining signatures for use in promoting research findings, and boasting of research findings. These practices have come to light in our country in recent years. We should go all out to promote scientific ethics and a strict approach toward science. Besides being utterly worthless in the scientific field, boastfulness and fraud are also detrimental to the cause of science and social morals. The eradication of fraudulent practices in scientific activities constitutes an extremely important task for our scientific community. Today, we should all the more take this problem seriously and try to prevent new ones because we are witnessing an ever-growing commodity economy.

Song Jian said: It is hoped that the new CAS presidium of academicians will play a guiding role in this matter by taking relevant actions and by providing guidance to scientific and technological circles about the institution of a quality supervisory system, in particular about the intensification of supervision over various publicly and government-funded scientific research projects. Once we discover them, we should firmly expose and strictly deal with any fraudulent practices.

Song Jian stated: In approaching science-related moral issues, we should also vigorously foster academic democracy and implement the principle of "letting 100 flowers bloom and 100 schools of thought contend." We should pay close attention to forging unity, cooperation, and mutual support and assistance between different doctrines and schools of thought in the scientific community. Unity is strength. The achievements in modern scientific and technological programs are the products of consultation, discussion, mutual support and assistance, and concerted efforts among numerous scientists and

engineers. We can stand a chance of success only if we enhance unity and exploit our collective strength. We should make a point of looking after those young scientists and technicians who inadvertently commit slight errors. They need the concern and assistance of leaders at all levels, especially the guidance, support, and assistance of scientists of the older generation. Newcomers to the scientific community hate to see the development of discord as a result of academic discussions or other minor disputes. It is our sincere hope that scientists of the older generation, especially all the academicians, will set an example in this regard and take care of the newcomers.

Minister Urges More Chemistry Foreign Exchanges

HK2604021492 Beijing CHINA DAILY in English
25 Apr 92 p 2

[By staff reporter Zhang Yu'an: "More Chemistry Exchanges Urged"]

[Text] The chemical industry should expand academic exchanges with the outside world so as to promote the country's development of chemical science and technology, a senior official said on Thursday [23 April].

Strengthening academic exchanges with foreign countries "will help us to liberate minds, acknowledge world trends in the chemical industry and learn advanced sciences and technology from other countries," said Gu Xiulian, minister of the chemical industry, in a speech to some 200 officials and chemical scientists participating in the 70th anniversary celebration of the Chemical Industry and Engineering Society of China.

Gu noted that the chemical industry is a basic one responsible for providing materials and products to agriculture, textiles, light industry, machinery, electronics, metallurgy, building materials, aviation and aerospace.

Development of those industries requires that the chemical industry develop more new and high-tech products, which, in turn, demands that the industry strengthen technology exchanges with foreign countries.

The society members should establish more close ties with other countries while enhancing good relations with the society's counterparts in Germany and Japan, Gu instructed the group.

In the meantime, the chemical industry should expand technology exchanges and economic co-operation with its counterparts in Taiwan and make preparations for full-range co-operation in the near future, Gu said.

Technology exchanges and economic co-operation with Taiwan should extend to the fields of chemical fertilizer, rubber and paint from the present farm pesticides and dyes, Gu said.

The industry is now in a preparatory stage to build more large chemical fertilizer plants and key petrochemical projects, to be completed by the end of the decade, Gu said.

Some of those projects are already under construction.

The projects will create more opportunities for foreign co-operation, Gu indicated.

At the celebration, Gu praised the society for its contributions to the promotion of development of China's chemical science and technology.

Because of the science and technology support, the industry last year turned out 150.2 billion yuan (\$27.8 billion) worth of products and made 13.45 billion yuan (\$2.5 billion) in taxes and profits. Its exports earned for the country more than \$4 billion in 1991, up 20 percent from the previous year, Gu said.

Contract Signed To Launch Intelsat Satellite

OW2404175692 Beijing XINHUA in English
1734 GMT 24 Apr 92

[Text] Washington, April 24 (XINHUA)—The International Telecommunication Satellite Organization (Intelsat) will use China's "Long March" rocket to launch a satellite or spacecraft in 1995-1996.

The Intelsat and China's Great Wall Industry Corporation signed a contract for the launch today at Intelsat headquarters in Washington.

The about 60-million-dollar contract calls for the first commercial launch of "Long March" 2e/Ho series rocket to carry either an Intelsat VII-A satellite, or one of the next series of Intelsat spacecraft.

The launch is scheduled tentatively between December 1, 1995 and February 29, 1996.

Intelsat has 122 member countries and China is one of them. The organization offers global communications services, such as international video, teleconferencing, facsimile, data and telex, for 180 member and non-member countries through its 17-satellite global system.

Large-Scale Production of Interferon To Begin

OW2604031992 Beijing XINHUA in English
0259 GMT 26 Apr 92

[Text] Shanghai, April 26 (XINHUA)—The Alpha 1 type genetic engineering interferon, a kind of high-tech biological internal therapeutic medicine developed by Chinese scientists will be put into large-scale production.

It is said to be the first high-tech biological product put into industrialized production in China, which indicates that China's development capacity of high-tech products is approaching the world's advanced level.

The Alpha 1 type genetic engineering interferon is said to be able to be used in treating over 30 kinds of diseases and malignant tumors.

The interferon was successfully developed by scientists of the Chinese Academy of Preventive Medicine through genetic engineering in 1984.

The scale production of this kind of interferon will be undertaken by the Shanghai Institute of Biologicals which belongs to the state Ministry of Public Health.

According to the report of the ministerial appraisal led by famous scientist Tan Jiazen, techniques in the production including large scale fermentation, dissociation, extraction, and purification as well as the production line, have reached international standards for medicine production.

According to experts, as of now, the same of interferon [as received] has not yet been produced in other countries. Clinical reports on 387 cases from over 20 hospitals show that the interferon can effectively cure chronic hepatitis B, hairy cell leukemia, hepatitis C and tumors.

Compared with similar medicines, the Alpha 1 genetic engineering interferon has noticeable advantages of low side reactions and causing no antibody reaction in the human body.

Experts say that the medicine has provided an important therapeutic method for some high incidence diseases which lack efficient treating therapies.

Economic & Agricultural

Center Orders Hainan To Suspend Stock Exchange

HK2704153992 Hong Kong CHING-CHI JIH-PAO
in Chinese 15 Apr 92 p 3

[By Wang Chien (3769 0494): "Hainan Stock Exchange Ordered to Suspend Operations; Governor Liu Jianfeng Persists in Going Ahead"]

[Text] With the State Council's consent, the People's Bank of China issued a circular not long ago requiring Hainan's internal stock exchange to suspend operations promptly. However, the Hainan authorities have not closed the center in question up to now.

The circular indicates that Hainan Province has set up an internal stock exchange center in the absence of approval from the People's Bank of China, while openly publicizing itself in advertisements, with unhealthy effects. Therefore, the practice is erroneous.

The circular reaffirms that stock exchange experiments are confined to Shanghai and Shenzhen. No more stock exchanges or similar organs are to be set up in the absence of the State Council's approval and the sanction of the People's Bank of China.

The People's Bank of China requires Hainan's internal stock exchange to promptly suspend operation.

It was learned that the Hainan Provincial Government General Office recently issued the "Hainan Government General Office Document No. 23 (1992)", and decided to establish a Hainan internal stock exchange. Soon after, the center openly started operations, which were actually of a quasi stock exchange nature.

Presently, there are five listed securities available at the exchange center. However, due to a lack of rules and regulations, the ways and means of transaction are not quite up to standard; hence, there is considerable confusion in transactions.

A source claimed that the Hainan authorities have turned a blind eye to the above circular issued by the People's Bank of China. Hainan Governor Liu Jianfeng stated, "keep transactions going; I'll take responsibility should anything happen." As of now, the internal stock exchange continues operations.

National Meeting Held on Raising Product Quality

10 Measures Proposed

OW2804035892 Beijing XINHUA Domestic Service
in Chinese 1056 GMT 27 Apr 92

[By reporters Yang Like (2799 3810 4430) and Tang Hong (0781 5725)]

[Text] Beijing, 27 April (XINHUA)—At a national work meeting on product quality which opened today, Zhu Yuli, deputy director of the State Council Production Office and director of the State Bureau of Technology Supervision, proposed four guiding principles and 10 measures to improve product quality.

He said: To improve product quality, it is necessary to establish four guiding ideologies [si xiang 1835 1927].

First, we should overcome the malpractice of merely seeking output value and quantity, and realistically rectify the relationship between quality, quantity, and efficiency. Second, we should change the practice of getting directly involved in enterprise management or excessively interfering in their affairs; provide practical guidance and services for enterprises so that they can become geared to the market; and strive to apply various market mechanism methods so as to encourage enterprises to continually improve product quality and develop variety during competition. Third, reaching the standards of actual advanced overseas products and actually fulfilling consumers' needs should be regarded as the objectives of quality improvement. Reaching a certain quality level or high passing rates are no longer sufficient. Fourth, we should change from the past practice of stressing comparison, appraisal, and higher grades for products, to earnestly resolving acute quality problems in respective departments and localities; to cracking down on fake products and improving shoddy products; to upgrading

the efficiency of major trades and industries; and to improving the quality of key products.

Zhu Yuli pointed out: To perform well in quality-improvement work, we should take the following 10 measures:

—Quality improvement should be regarded as important economic work and we should strengthen its leadership.

—We should rely on scientific and technological progress and closely integrate enhancement in product quality and variety with technological problem-tackling projects, technology imports, and technical transformation.

—We should gear enterprises to the markets and make full use of the market mechanism which promotes survival of the fittest so as to encourage enterprises to improve their product quality and develop variety during competition.

—We should strengthen supervision over quality. Strict rectifying measures and penalties should be imposed on enterprises that fail in random examinations on products conducted by the state technology supervision departments.

First, the state technology supervision departments should expand their coverage of random examinations on products. Second, while the state technology supervision departments increase random examinations, various departments and localities should play their respective roles in strengthening overall planning and unified administration, and in realistically preventing repeat examinations to avoid overburdening enterprises. Third, we should persistently ensure that random examinations are a surprise. Fourth, we should stress rectification work after the random examinations. Production and technology supervision departments in various localities should help enterprises that fail the random examinations. The former should help the latter to expose problems, check loopholes, the sources of problems, and to formulate remedial measures. We should seriously deal with people in charge of enterprises that produce sub-standard products.

—We should take strict measures to thoroughly crack down on production and sales of imitation, fake, and shoddy commodities.

—We should strengthen policy measures by formulating some new preferential policies to award superiority, to encourage enterprises to improve their product quality and develop variety.

—We should accelerate the work of authenticating product quality, and examining, verifying, and registering the quality of enterprise's operating systems.

—We should guide the enterprises to check their internal structure, strengthen on-the-spot administration, improve various basic tasks within the enterprises,

and establish a strict, scientific quality management system. It is necessary to propose that governments in various localities coordinate with large numbers of enterprises to change enterprise operational mechanisms; and to launch a campaign to rectify labor and technological discipline, and strengthen on-the-spot administration.

—We should establish a sound legal system regarding product quality so that we will strictly enforce it and be able to do a good job in quality improvement according to the law.

—Public opinion and society should play their supervisory roles so that all people are more aware of quality and so that an environment in which the whole society values high quality will be created.

More on Government Efforts

HK2804050792 Beijing CHINA DAILY in English
28 Apr 92 p 1

[By staff reporter Xie Liangjun: "Rigorous Steps To Cut Inferior Products"]

[Text] The Chinese Government has vowed to resort to harsher measures in its uphill battle to wipe out fake and shoddy products.

These tougher manoeuvres will include sacking factory directors, imposing heavier fines on producers of poor-quality goods, and withdrawing business licences from or temporarily closing township and privately-owned firms that make inferior products, said Zhu Yuli, director of the State Technical Supervision Bureau and vice-director of the State Council Production Office.

At a national work conference on quality in Beijing yesterday, which Chinese Vice-Premier Zhu Rongji also attended, Zhu Yuli said those products which have very serious quality problems and affect people's health should be exposed to the public.

And those producers whose poor-quality products have caused great losses or broken laws must be punished according to the criminal code, Zhu said.

The State Technical Supervision Bureau has conducted random surveys of product quality since 1985. The inspections are seen as essential to the improvement of product quality.

In order to bring more products under constant government quality surveillance, the government has decided to conduct random quality inspections of 50 product categories involving 2,000 enterprises each quarter, Zhu said. Before, only 30 categories involving 1,000 enterprises were inspected in such surveys.

The government will work out new measures to encourage and reward those enterprises that have made major progress in improving quality and increasing variety.

Zhu Yuli urged Chinese enterprises to plug into the market and rely on scientific and technological advancement to enhance product quality, while asking local governments to consider "efficiency and quality first, quantity second."

In response to growing complaints about quality problems from more and more Chinese people, the government launched a massive campaign last year to wipe out fake and inferior products, dubbing it the Year for Quality, Variety and Efficiency.

But Chinese quality control officials consider the task of solving the country's chronic quality problem an arduous one.

Eighty percent of products inspected at random by the State Technical Supervision Bureau last year were up to national quality standards, a five percent improvement over any year between 1985 and 1991.

China Consumers' Association and its sub-associations across the country have received an increasing number of complaints about quality problems. The number rose from 43,000 in 1987 to 140,000 in 1989 and 210,000 last year.

This year, the government will concentrate quality control efforts on major industries and main products in hope of a marked quality improvement within three to five years.

These industries and products will include steel, coal, cotton, large electricity-generating equipment, food, medicine, medical equipment, elevators, and durable consumer goods such as televisions, refrigerators, washing machines, water heaters and motorcycles.

Government Expanding Unemployment Insurance Funds

HK2604014392 Beijing CHINA DAILY in English
25 Apr 92 p 1

[By staff reporter Li Hong: "Jobless Fund To Get Major Facelift"]

[Text] In a move to provide more security for jobless people, the central government is introducing a new unemployment insurance programme as part of the ongoing economic reform aimed at revitalizing State-owned enterprises.

The new scheme, proposed by the Labour Ministry and State Council Production Office, would increase the current annual jobless insurance fund of 480 million yuan (\$87.3 million) to 1 billion yuan (\$181.8 million), according to a Labour Ministry official.

The unemployment programme, to be funded from State tax revenue, is equivalent to 1 percent of State firms' annual payroll, including wages and bonuses, and the money will be distributed through 2,000 urban jobless insurance agencies throughout the country, the official said.

But economists have predicted that even doubling the fund will not meet the actual need, which is estimated at 2.55 billion yuan (\$463.6 million) for 1992.

Government officials have admitted that a workable unemployment insurance system is crucial to the urban reform of State-owned firms, whose swelling workforce far exceeds actual need. It will also help maintain social stability by providing the jobless with a means of subsistence, the official said.

The new unemployment insurance scheme will also expand the number of beneficiaries from the previous "four types" of State enterprises to all workers who may lose jobs, for whatever reason, the official said.

A State Council decree, issued in October 1986, stipulated that workers who have lost their jobs for the four following reasons are eligible for unemployment security: Bankruptcy, business cutbacks ordered by the government, the expiry of labour contracts, and other business closures.

The Chinese Government will establish a nationwide jobless protection net for all urban job-seekers in the long run, including those laid-off from collectives, foreign-invested and privately-run businesses, the official said. But he declined to give a timetable for realizing such a system in the country.

China is currently urging State-run firms to increase efficiency and is giving them full rights in hiring and firing in a bid to do away with the decades-old "iron rice bowl" for employees. Most firms are now set to streamline their staff to an optimum working level.

Therefore a workable unemployment subsidy programme is needed to bolster the reform, the official said.

The country is currently under a great deal of employment pressure. The Labour Ministry said that during the 1991-95 period, 36 million urban people will be looking for jobs, and another 78 million rural residents will want employment.

State Council Measure To Clear Debt Chains

OW2804043592 Beijing XINHUA Domestic Service
in Chinese 1410 GMT 27 Apr 92

[By correspondent Ye Quanfa (0673 0356 4099)]

[Text] Shanghai, 27 Apr (XINHUA)—"Units that stop adding new debts will be helped to solve their old debts." This new measure was put forward by the State Council's Leading Group for Clearing "Chains of Debt Default" to prevent the problem of "adding new debts after clearing previous debts."

At a national meeting on experimental measures to clear circulating fund debts held at Shanghai's Baoshan Steel Complex on 27 April, it was decided that, with the Baoshan Steel Complex taking the lead, 43 units will be

selected to experiment with the new measure. It sets 10 June as the deadline for payments to clear "debt chains" of circulating funds.

The purpose of this pilot project is to explore a way to help enterprises solve their debt problem while effectively preventing new debts. In line with the goal of helping enterprises with good operations, those selected for the pilot project are all enterprises with a good situation in production and operation, and that have the ability to protect themselves through this measure and can avoid adding new debts after paying their old debts.

Falling into arrears for products under mandatory plans is a conspicuous problem in clearing circulating fund debts. In order to create a favorable external environment for enterprises and enable them to avoid new debts, the 43 enterprises will be allowed to take the lead in experimenting with the (draft) "Provisional Regulations on Preventing Debts for Commodities Produced Under the Mandatory Plans of the State." The draft regulations clearly stipulate that units that demand products must pay the money within the payment deadline. If they exceed the deadline by more than 20 days or refuse payment without good reason, suppliers will be authorized to stop shipment of products, and to notify these units and their higher authorities. If these units fail to answer clearly within 10 days after receiving the notice, suppliers may sell the products at random and be considered as fulfilling state mandatory plans. Enterprises that violate accounting discipline and make false statements will be strictly handled by relevant banks; and banks that do not take corrective measures and protect those enterprises will be investigated and dealt with by the People's Bank of China in a strict manner.

The concrete implementation of this pilot project involves the Shanghai Baoshan Steel Complex, which is the main creditor, and 42 other enterprises, of which each owes more than 1 million yuan to the Shanghai Baoshan Steel Complex. Each of the 42 enterprises will now be authorized to collect money from 10 designated units which in turn owe money to each of the 42 enterprises. Therefore, this pilot project actually involves more than 400 other enterprises in addition to the 42 enterprises. The scale of loans needed to clear the debts of this pilot project will be determined by the head office of the People's Bank of China. No enterprise should delay payment or refuse to pay money under the pretext of "paying money after receiving things." Those enterprises that do not pay money within the specified time will be handled by relevant departments in a strict manner.

Input-Output System for Enterprises Proposed

HK2804020592 Hong Kong CHING-CHI TAO-PAO
in Chinese No 14, 13 Apr 92 p 22

["Chinese Economic News" article: "China To Institute Input-Output Overall Contract System Among Important Large Enterprises"]

[Text] A state department concerned has recently suggested practicing an input-output overall contract system among several selected large enterprises that have a vital bearing on the national economy as an important way to run large and medium-sized enterprises well.

In terms of the current actual conditions, the input-output overall contract system will be implemented in the following types of enterprises: They include 1) several national general corporations; 2) some large and medium-sized enterprise groups that have been listed as state pilot projects; 3) some enterprises of the 156 key development projects launched during the First Five-Year Plan, which now remain in line with the current industrial policy; and 4) the large integrated complexes in the seven basic industries in some old industrial bases.

The core of practicing the input-output long-term contract system is to link the contract period with the technological transformation cycle so as to enable enterprises to have enough financial resources to complete their technological transformation task during the contract period by rationally defining the basic figure and progressively increased ratio for what enterprises should hand over to the state as specified under the contract system.

Large, Medium Industrial Enterprises Reclassified

HK2704135692 [Hong Kong CHING-CHI TAO-PAO
in Chinese No 14, 13 Apr 92, p 22

["China Economic News" article: "China Decides to Reclassify and Recognize Large and Medium Industrial Enterprises"]

[Text] In order to carry out enterprise reform in depth, reinforce enterprise management, exercise more effective overall control over enterprises, and enable the state to give proper guidance to different types of large and medium state-owned enterprises, the state has decided to reclassify and recognize large and medium industrial enterprises.

First, large and medium industrial enterprises will be classified according to the following principles: 1) Industrial enterprises to be classified must be legal persons conducting independent business accounting, so companies concurrently performing administrative duties cannot be included in the category of industrial enterprises. 2) Industrial enterprise should mainly be classified according to their productive functions. A small number of industrial enterprises in some special trades which produce a wide variety of products should be classified according to the original value of their fixed assets if it is hard to classify them according to their production capacity. 3) The reclassification of industrial enterprises will only be linked to the verification of their operation sizes, and will have no relation with the

administrative ranks or the payroll levels of these enterprises. So enterprises must not use the reclassification as an opportunity for upgrading various institutions and raising their cadres' ranks.

Second, the reclassification of large and medium industrial enterprises will be conducted in a scope as specified below: 1) Industrial enterprises under whole people ownership and under collective ownership in both urban and rural areas. 2) Grass-roots industrial enterprises within industrial enterprise groups and conglomerates. Those that still keep the status as legal persons with independent business accounting will still be classified as enterprises, but those that have lost the status as legal persons and stopped conducting independent business accounting will be classified as enterprise groups or group companies.

Large and medium industrial enterprises will be divided into four major categories and six classes, namely, out-size, large (including class one and class two), medium (including class one and class two), and small enterprises.

It is learned that the power for verifying and recognizing large and medium industrial enterprises is concentrated in the hands of the state and provincial coordination groups for classifying enterprises. Large and medium industrial enterprises which were affirmed by various functional departments and localities should again submit reports according to established procedures, and their status will not officially come into force until it is approved and recognized by the authorities concerned. The state will issue status certificates to large state-owned industrial enterprises after they are verified and recognized by the authorities concerned.

Factory Head Demoted for Failure in Reform

HK2404114792 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0855 GMT 22 Apr 92

[Text] Guangzhou, 22 Apr (ZHONGGUO TONGXUN SHE)—She Liangnong (0152 5328 6593), a senior engineer and former director of Guangzhou Copper and Lead Processing Factory who was a man in the news of reform two years ago, was discriminated by many sides for his failure in running a contracted factory due to various objective reasons, and was even forced to change his profession and transferred to a sales department of a Guangzhou factory as a porter. People from Guangdong's enterprise circles generally consider it incorrect to give such treatment to those who have failed in reform.

According to sources from relevant departments, She Liangnong was one of Guangzhou's handful of "factory directors through public bidding," who defeated over 10 competitors before taking up the post in February 1989 as the eighth director of Guangzhou Copper and Lead Processing Factory. His accomplishments in the first year were so outstanding that many local media gave reports on his deeds to activate the enterprise through reform. With the arrival of 1990, however, a drastic

change in the market of nonferrous metals suddenly put the country's entire industry of nonferrous metals in a difficult position. Under an increasingly deteriorating external environment, many problems concerning the internal operation of the factory were gradually brought to light. In order to extricate his enterprise from the difficult position, She Liangnong put forward a series of reform measures; however, he could not win the support of leaders at higher levels. After investigations and studies, he decided to contract the factory's wire rod workshop, which suffered heavy losses, to Shunde Cable Factory on the condition that the latter should submit 110,000 yuan of revenue to the state. A contract was already signed between the two parties. Some leaders at higher levels, however, insisted that the move would "lose the face of state-run enterprises" and then forcibly vetoed this reform measure. Facts afterwards have proved that She Liangnong's decision was correct, because his successor has achieved very good results in reform in line with this decision. She Liangnong, however, was subjected to great pressure at that time and was then forced to give up his reform measures. As a result, Guangzhou Copper and Lead Processing Factory could find no way to extricate itself from the difficult position, and She Liangnong finally became a loser in the contract. After leaving the post of factory director, he was transferred to a sales department of another factory and did heavy physical labor there, such as transporting goods. A removal examination on She Liangnong conducted by departments in charge has showed that during his tenure, She Liangnong did not do anything against the law and discipline, and he had a clear financial record.

This event shook Guangdong's enterprise circles. A great number of enterprise managerial staff are outraged by the unjust treatment to She Liangnong, and they believe that the major cause leading to the contract failure was the administrative interference. Others hold the view that it is incorrect to give such a treatment to those who have failed in reform; instead, we should allow them to meet with defeat, and only by doing so can we bring about further development to reform and opening up.

Article Urges Changing State Firm-State Relations

HK2804102092 Beijing JINGJI RIBAO in Chinese
21 Mar 92 p 3

[Article by He Wei (0149 0251): "Reform Is Also To Liberate Productive Forces"]

[Text] Abstract: Revolution is for liberating productive forces, as is reform. In order to liberate productive forces, it is necessary to gradually change the original economic system and government functions and be able to exercise macroeconomic control and stimulate microeconomic activity. In this regard, we should have a high sense of urgency.

I.

The CPC Central Committee Political Bureau recently held a meeting that pointed out that liberation and

development of the productive forces is the basic duty of our party when it leads the people in building socialism. Regarding this, not only must we develop productive forces under socialist conditions but we must also liberate productive forces through reform. This gives the reform a new meaning, that is, reform is also a revolution and this demonstrates its seriousness, difficulty, and profundity. In the past, we called the overthrowing of the reactionary rule by imperialism, feudalism, and bureaucratic capitalism in the years of the warm to enable the productive forces to be liberated, a revolution for liberating productive forces; after establishing the socialist system, we viewed our main duty to be the development of the productive forces. Although this type of pronouncement is correct, it is not correct overall when we judge it today. Putting the reform and revolution in the same position, and understanding the nature and meaning of the reform from the plane of liberating productive forces, are important breakthroughs in theory.

The so-called liberation of productive forces means development of productive forces through freeing the productive forces from their fetters. Revolution means development of productive forces through smashing the fetters of old production relations over the productive forces. Reform means development of the productive forces, after establishing the basic socialist system, by changing the fetters of the original economic system over the productive forces. The former is to smash the fetters of production relations over the productive forces and the latter is to change the fetters of the old economic system over the productive forces. One of these is to build new relations of production, to promote development of productive forces; the other is to build a socialist economic system which is full of vigor and vitality, to promote development of the productive forces.

II.

At present, various provinces and municipalities in our country are giving priority to changing operational mechanisms within enterprises and formulating new economic policies with distinctive local characteristics to combat the old economic system and enable the reform to develop extensively. Enterprises which are enjoying the new policies have already "jumped" out of the original economic system, changed their operational mechanisms, improved their economic returns, and promoted development of the productive forces, leading to a new reform peak. However, it should also be noted that the original economic system still exists, its operational mechanism still functions, the supporting point of its track is still intact, and the original government function remains unchanged. Under this condition, the enterprises that have "jumped" out of the original economic system can still be absorbed back into it at any time.

In order to consolidate and expand the fruits of reform, and to liberate the productive forces, it is necessary to enable the reform to have in-depth development and

change the original economic system. The original economic system was built under the guidance of a certain theory. It was based on the state ownership system and has government functions as its core. In order to carry out the missions entrusted to them by the state ownership system, various governments formed a national economic operational system with mutual links and restraints and with the government as the mainstay. This was a feature of the old economic system. The whole country resembled a big factory, the numerous enterprises looked like different workshops, and the governments at various levels ran these factories in their capacities as owners. This inevitably led to a superior-inferior relationship between the government and the subordinated enterprises. This kind of economic management system, which has government functions as the core, is mainly manifested in two aspects: First, policies are formulated in accordance with the ownership system and management has the color of government administration; second, the control of production factors, that is, some government departments exercised control in their capacity as owner of the production factors, and carried out coordination through planning. To change this economic system, the first thing to do is to change government functions. From the reform process over a period of 10 years or more in our country, we can see that every change in enterprises was related to a change in government function. Delegating power to enterprises and allowing them to have more profits, or replacing the system of collecting profits from enterprises with the system of levying taxes on them, or practicing the contracting system, regardless of which method, have all materialized under conditions in which government functions also changed correspondingly. This enabled enterprises to acquire certain decisionmaking power and so their mechanism could change. Therefore, enterprise reform is also a reform of the style in which the government manages the state-owned economy; the change in the operational mechanisms within enterprises is also a change in government function. The two are closely linked. But in reform, the two have a different status and role. The government is in the predominant and active position and enterprises are in the subordinate and passive position and change according to the change in government function. Therefore, changing the government function is the crux of deepening reform at this time.

Regarding the need to change government functions and operational mechanisms within enterprises, the documents from the Third Plenary Session of the 12th CPC Central Committee, and the 13th Party Congress, made clear stipulations. But why have the results been so small and why have enterprises deteriorated? The basic reason is because the actual pattern of ownership has not been touched and the government has remained the owner and operator of enterprises. The government and enterprises are different domains belonging to different spheres and they differ in nature and track of operation. If enterprises are put under government control for a

long time, and are managed in accordance with government principles of organization and system, they will inevitably become bureaucratized and lose their purpose and vitality. It should be noted that an enterprise's status, fate, and operational mechanism under the conditions of commodity economy are different from their status, fate, and operational mechanism under the original system. Under the original system, an enterprise is a unit under the government and its mission is to fulfill and overfulfill the production duty given by the state. All economic activities are determined by the superior level, production factors are arranged by government departments, and the state is responsible for gains or losses, with enterprises carrying out production completely under government guidance. Therefore, there is no big conflict between the two. But the situation is different under the conditions of the commodity economy, in which enterprises are relatively independent commodity producers and operators, and economic exchanges are mainly carried out laterally through the market, with the purpose of operations being to obtain legitimate incomes. Under our current economic management system, various policies are classified according to ownership systems, thus, the system of ownership by the whole people, collective ownership system, private enterprises, individual economy, and "foreign-invested" enterprises all follow different policies. Even the production of similar goods can be treated differently due to different ownership systems, and state-run large and medium enterprises are tightly bound.

Within the same ownership system, due to differences in scale, or to subordination to governments at different levels, or to the status of being in cities listed separately for development, enterprises enjoy different policies. At the same time, various localities manage their economies according to the division of administrative districts at the provincial and city levels. Thus, the unified market needed by the commodity economy is cut into pieces according to levels of government, subordination relations, and administrative districts, and the whole national economy is divided into a network. Thus, circulation is not smooth, sales and purchases are difficult, enterprises cannot change mechanisms, and the development of productive forces is fettered.

On the other hand, the situation with management inside enterprises is also the same. That is, if the government function is not changed, the enterprises' mechanisms cannot change. If the government function is not changed, if it still uses the old method to run enterprises and if various production factors are still in the hands of various government departments, enterprises cannot change their mechanisms. This is because every commodity producer must have the power to arrange for production factors at their own discretion, in which they can continually regulate the organic composition of their capital according to market demand and the needs of technological progress and can have better adapting capacity, stamina, and competitive ability. At present, the enterprise's role to arrange for reproduction factors is

dissected by various government departments; the labor force, funds, and means of production, that is, the three major production factors, are controlled by various government departments whose duty is to follow the regulations of the state's plan and to control the production factors that are within their management domain, otherwise they will fail to fulfill their duty. Regarding whether the production factors acquired by enterprises can be produced normally or whether their efficiency can be given full play is not a matter within their authority and duty, and no government department is to have concrete responsibility toward enterprises. Obviously, if an enterprise cannot promptly acquire and arrange for production factors according to the prescribed variety, quality, standard, and quantity, it will be unable to carry out normal reproduction and will have no vigor. Although we have repeatedly stressed the need for various government departments to establish the viewpoint of serving enterprises and correct the work style of "obstructing and blocking," and have produced certain influence on actual work, because government functions cannot suit the needs of the commodity economy, some problems cannot be solved just by changing work style or subjective efforts. First, no matter how various government departments change their attitude toward service, their supply of production factors to enterprises cannot, and in a timely and coordinated manner, satisfy every enterprise's need for production factors. In particular, in a situation in which "the gruel is meager and the monks are many," various government departments argue back and forth, shirk responsibility, and give enterprises a hard time. Second, even if various government departments can promptly meet the enterprises' needs in a coordinated manner, they will have difficulty satisfying their demand for ongoing changes in the composition of production factors. Whichever way, in a system like this, the conflict between the government and the enterprises cannot be satisfactorily resolved. This often gives the government a very busy time and the enterprises a very difficult time, finally leading to irrational resources allocations, a rigid industrial structure, and huge waste, to the extent that the strong points of socialism cannot be fully developed.

All this indicates that the government function has already contradicted the enterprise mechanism in a normal situation. If this is added to unhealthy trends, bureaucracy, various appropriations, and various compulsory social burdens, enterprises find it harder to bear their burdens. This shows that the old economic system has seriously hindered the development of productive forces, which can only be liberated when reform of the system is carried out.

III.

In order to completely change this kind of economic system, the first thing that should be done is to identify the economic basis upon which this economic system's existence is founded. I think that it is the current state ownership system. If this kind of ownership system is not

changed, government functions cannot change, the economic system fettering the development of productive forces also cannot change, productive forces cannot be liberated, and a good chance to carry out reform will be missed. It should be noted that the state ownership system entrusts the governments at various levels with the mission of being an owner who must ensure that the enterprises under their management are free from losses and can continue to grow. That is to say, under this ownership system, the government must inquire into every detail of the enterprises and must intervene, otherwise it is not doing its duty. This kind of economic relationship determines that the government must do this. When this kind of economic relationship exists, people cannot do much to change the operational mechanisms within enterprises. Therefore, it is necessary to break the old management system, transform government functions, and change the actual ownership system pattern to enable the government to change from a complete owner and operator of the assets of enterprises. Therefore, the state ownership system should be changed into a system in which the government is only an owner of funds. That is to say, the former is a legal owner, the latter is an economic owner. As an owner of funds, the government's way to materialize its ownership rights is to collect interest on loans from the enterprises and levy taxes on them on behalf of the state. Other than this, enterprises will no longer hand over profits to the government. So long as enterprises can pay the interest according to schedule, as an owner of funds, the state will no longer ask how enterprises operate or in what form their capital exists. In this way, a separation between government and enterprises is achieved and the two kinds of power are also separated. Of course, in localities with better conditions, this kind of separation can also be adopted in the form of the stock system. That is, an enterprise's state-owned funds are converted into shares and government representatives participate on its board of directors in the capacity of holders of state-owned shares. Thus, the relationship between both sides is equal, the definition of the interests of both sides is clear and protected by law, and there will no longer be the fluctuation concerning giving or retaining power.

Along with the standardization of the actual pattern of the state ownership system, the function of various government departments should also change correspondingly. Other than holding a certain amount of savings and goods ordered by the state, materials departments should lift all restrictions to form a means of production market, and the government should manage in terms of policy and will no longer take part in the concrete distribution of the means of production; financial and revenue departments should not only treat taxes as the government's source of financial income but should also perform the function of macroeconomic regulation, embodying the state's industrial policy in terms of taxation, controlling the increase in consumption funds, and narrowing the difference in people's incomes. Except for the central bank, other specialized banks should all be managed as enterprises so as to form

a money market and to implement the state's monetary and industrial policies. Labor and personnel departments can lift restrictions on the system for hiring workers by enterprises so as to form a labor market and allow the law of value and wage mechanisms to play the regulatory role, whereas labor and personnel departments should formulate relevant wage plans and policies, supervise their implementation, and mediate and handle industrial disputes on behalf of the state. Various departments in charge should no longer directly manage enterprises and their main duty would be to formulate administrative policies and research technological development plans. Planning departments should no longer oversee concrete matters, their main duty being to carry out broad, comprehensive adjustments and formulate industrial policies. After all these changes in government functions are made, a new economic management system will be formed. To push enterprises toward the market, the first thing we should do is to push the government's management functions toward the market. Only by so doing can a market system gradually take shape, enabling the enterprise's role in arranging for production factors to be gradually attained in the market. The government's management over the national economy should mainly be regulated by using economic parameters and financial, monetary, income, and industrial policies, and managed by economic, administrative, and legal means. The relations between the state and enterprises resemble the relations between a traffic policeman and car drivers; they have their own duties and responsibilities and, in this way, macroeconomic control is possible, microeconomic invigoration can be worked out, and the planned economy can be integrated with market regulation to enable the national economy to rapidly develop proportionately and in a coordinated way, and to give full play to the strong points of socialism.

Of course, this reform cannot be accomplished in one step and it is necessary to have overall planning and procedures and to practice it step by step. Even if a unified reform plan is available, it cannot be implemented in a mechanical way, and we should consider the actual conditions in various localities and departments, boldly innovate during practice, and develop the reform in different places with different characteristics.

IV.

Revolution is for liberating productive forces, as is reform. In the area of liberating productive forces, putting reform in a position as important as revolution can increase our understanding of the reform. The early reform in our country has already fully proved that without reform there could not have been the huge changes in the rural areas, the emergence of township and town enterprises, rapid national economic development, enhancing of comprehensive national strength, and the upgrading of people's living standards. However, it should also be noted that our neighboring countries are developing very rapidly, that the development of our country's economy, especially the state-owned economy,

is not very satisfactory, and that judged from the angle of attaining the four modernizations and accomplishing the second-step strategic goal, we still have to speed up economic development. We should have a sense of urgency regarding this point. Therefore, during practice, we should use the theory which holds that reform is also for liberating productive forces, to expedite the pace of reform.

Symposium on Publishing Stresses Hot Topics

*OW2704123392 Beijing XINHUA Domestic Service
in Chinese 0513 GMT 27 Apr 92*

[Text] Beijing, 27 April (XINHUA)—Economic publishing work must serve economic construction, as well as reform and opening policies. It must treat knotty economic problems as hot topics and actively push forward its own reform. These are the central themes set down by the "National Symposium on Economic Publishing Work" sponsored by the CPC Central Propaganda Department in Beijing from 10 to 19 April.

The symposium was attended by economics professors, including Luo Yuanzheng, Wu Zhenshen, Fan Sheng, Zhang Zhuoyuan, and Wei Jie, along with responsible individuals from 11 large enterprises and editors in chief and senior editors from more than 20 economic and periodical publishing houses. This was the first time in our country's publishing history in which people from the economic, enterprise, and publishing communities jointly studied economic publishing work.

At the meeting, economists expressed the hope that enterprises, publishing houses, and theoretical circles would unite and make concerted efforts to summarize new experiences, new achievements, and new methods acquired during the course of reform and opening to the outside world. They also expressed the hope that people in these areas further emancipate their minds, boldly explore new ground, and systematically introduce and absorb knowledge and experiences from foreign countries, which are conducive to our country's modernization program in the aspects of production, economic management, and macrocontrol. Responsible comrades from large enterprises discussed their practical experience in enterprise reform, and they actively forwarded their proposals and demands to the economic and publishing circles. They hoped that the economic and publishing circles would properly sum up experiences in reform and opening up, as well as provide enterprises with economic management books that are profound in theory, easy to learn from, functional and practical, easy to understand, and in line with the conditions in Chinese enterprises. They added that these books should strictly avoid incoherent banterings of empty talk. They also hoped that the publishing circles would duly handle the relationship between popularization and enhancement, while publishing good books at various levels in accordance with the new conditions faced by economic management personnel.

Comrades from publishing and periodical publishing houses attending the symposium broadened their thinking and defined their focal points. They unanimously held that the knottiest problems of their economic work should be treated as hot topics in publishing work. Comrades from the publishing community should seize the opportunity to foster a sense of historic responsibility and mission toward economic development, and they should strive to publish a host of high-quality books with theoretical and practical value.

The symposium also carried out discussions on reform within the publishing system. The attendees agreed that studying and giving impetus to leadership over publishing undertakings and introducing reform in the management system are pressing tasks for achieving prosperity in publishing enterprises.

Computer Software Protection Measures Promulgated

*OW2704144292 Beijing XINHUA Domestic Service
in Chinese 1138 GMT 27 Apr 92*

[By Reporter Gu Honghong (7357 3163 3163)]

[Text] Beijing, 27 April (XINHUA)—China's system for the protection of intellectual property rights took a new step forward today. Entrusted by the State Council executive meeting, the "Measures for Registering Computer Software Copyrights," which were placed under the auspices of and drawn up by the Ministry of Machine Building and Electronics, were promulgated today and will officially come into force on 1 May.

These measures were drawn up in accordance with the "Regulations Governing the Protection of Computer Software." They stipulate that software that can be registered include original software, revised versions of software, and composite software. Specialists argued that the implementation of these measures would help improve the social environment of China's software industry and accelerate China's absorption of advanced foreign software technology. They will help prevent the phenomenon of repetitive investment and repetitive development in the realm of software technology, and they will provide effective legal protection to holders' copyrights.

In accordance with the decision of the State Council executive meeting, the Ministry of Machine Building and Electronics has entrusted the registration of computer software copyrights to the China Software Registration Center.

Hainan Announces Preferential Policy for Zone

*HK2704143792 Beijing RENMIN RIBAO in Chinese
10 Apr 92 p 2*

[Dispatch by reporter Bao Hongjun (7637 3163 0193): "Hainan Province To Announce 40-Point Preferential Development Policy"]

[Text] Haikou, 9 Apr (RENMIN RIBAO)—At a recent forum on the development of Yangpu, Mao Zhijun, vice governor of Hainan Province, briefed some 200 Chinese and foreign guests on a 40-point preferential policy to be practiced in the Yangpu Economic Development Zone. This policy involves land development, investment in and management of enterprises, finance, import and export trade, taxation, coming and going of personnel, and investment protection.

According to him, the policy to be practiced in Yangpu Economic Development Zone is more preferential than those being practiced in other bonded zones in the country and in Hainan Special Economic Zone. For example, the policy on land development stipulates that the enterprises that undertake to develop and manage a whole stretch of land in Yangpu, can acquire the right to use the land once and for all, for a maximum period of 70 years. An enterprise that develops a whole stretch of land can be invested in by a foreign firm, or by several foreign firms, or by Chinese and foreign firms pooling funds together. They will register in Hainan according to the law, and sign contracts with Hainan Province for leases to use the land. Enterprises that develop the land will have the right to transfer, lease, mortgage, inherit, or use the land as a condition for cooperation and joint-venture operation; projects with large-scale investment can be developed while investors are being sought. In the area of investment in and management of enterprises, enterprises from outside the border and domestic enterprises that have the right to conduct import and export trade are permitted to conduct international trade in the development zone; enterprises in the development zone are permitted to conduct transit and entropot trade and establish export-oriented factories, export processing factories, service industries, real estate businesses, and charitable undertakings. In the area of finance, with the approval from the People's Bank of China, foreign banks, banks with Chinese and foreign funds, and other monetary organizations can be established in the development zone. After securing approval, enterprises in the development zone can issue bonds and shares within the zone, and can borrow loans from foreign monetary organizations with their fixed assets as collateral. In the development zone, foreign-invested enterprises can freely bring funds in and out, are free to use foreign exchange, and taxed profits earned by enterprises can be freely remitted across the border. In terms taxation, it is stipulated that exports produced by enterprises in the development zone are exempted from tariffs, and except crude and finished oil and a small number of products, all products are exempted from a product tax (value-added tax). The income tax rate for enterprises is 15 percent. Vice Governor Mao Zhijun said: "Along with the implementation of this preferential policy, being our country's biggest project for absorbing foreign funds for developing whole stretches of land, Yangpu Development Zone will become a dynamic 'free economy and trade zone.'"

Shenzhen Stock Exchange To Float More B Shares
HK2804052292 Beijing CHINA DAILY in English
 28 Apr 92 p 2

[By staff reporter Xie Songxin: "Shenzhen To Offer More B Shares"]

[Text] Shenzhen—Foreigners will have more opportunities to invest in the Shenzhen stock market as the government has given the city permission to float at least \$100 million worth of B shares this year.

The amount is equivalent to 550 million Renminbi yuan, 200 percent more than last year. Under a government plan, about 900 million yuan (\$164 million) of B shares will be available in 1993.

Zhang Hongyi, vice-mayor of Shenzhen, estimated that this year's issue will have a total market value of \$300 million.

B shares are denominated in Renminbi and mainly sold outside the mainland. All transactions must be paid for in U.S. or Hong Kong currency.

Earlier reports said Shenzhen government planned to issue between \$1-\$1.5 billion of B shares in the next 10 years, raising a total of \$3-\$4 billion in foreign capital.

Buying B shares has become a hot investment among foreigners. A special fund for B share investment was launched recently in Hong Kong.

"The high demand for B shares demonstrates investor confidence in China's reform and open policy and of Shenzhen's economic situation," said the vice-mayor.

He told China Daily that the city would grasp every opportunity to improve and expand the B share market and to push more companies onto the international market by listing them at the Shenzhen Stock Exchange (SSE).

"The securities market in Shenzhen is on the track of healthy development," said Zhang, who heads the city's Securities Leading Group.

However, he admitted that the local market still has a long way before meeting the standard of stock exchanges in the West.

Overseas securities are not yet listed on the Shenzhen exchange, because of the small size of the market, Zhang said.

A proposal is under study to have foreign brokers included in the local market to deal directly with B share tradings, but "conditions are not ripe at this time," the vice-mayor said.

However, non-Shenzhen securities companies in the country could soon become members of the Shenzhen exchange. And non-Shenzhen companies are expected to be listed on the exchange in a short period of time.

Shenzhen, China's first special economic zone, began its shareholding experiment in 1987. The Shenzhen Stock Exchange, the second in China after Shanghai's, started operation last July.

At present, 17 Shenzhen companies have gone public, and 11 of them now listed on the market. Zhang expects that all 17 will be listed by the end of June.

The city plans to have 100 public companies by the turn of the century.

Zhang said the central government had recently authorized the city to approve the listing of local companies. Previously the decision had been made in Beijing.

The vice-mayor also said SSE could be fully computerized and start paperless trading next month.

Beijing Enterprise Management Reform Highlighted
HK2704055292 Beijing RENMIN RIBAO in Chinese
19 Apr 92 p 1

[By reporter Yan Shigui (7346 0013 6311): "Beijing Municipal Government Creates Conditions for Transforming Enterprise Operational Mechanism"]

[Text] Beijing 18 Apr (RENMIN RIBAO)—How should enterprises be helped to transform their managerial mechanism as quickly as possible and genuinely enter the market? The Beijing municipal government's practice is that the government "formulates eight ways of transforming the managerial mechanism to help its smooth sailing" for enterprises' voluntary selection.

After the first group of six enterprises signed contracts on transforming the managerial mechanism last November, the number of Beijing's enterprises following suit was 618 by March this year, of which 444 were large and medium enterprises of ownership by the whole people.

Transforming the managerial mechanism is the crux to doing a good job of running an enterprise. Firmly grasping the key, Beijing Municipality designed and formulated eight ways, starting from actual conditions and calling them eight "vessels" in figurative speech, for enterprises to voluntarily choose from.

According to a municipal Office of Restructuring briefing, the eight ways are: implementing general contracted responsibility with input and output; referring to and implementing certain policies for joint-ventures with Chinese and foreign investment; implementing the joint-stock system; implementing the separation of taxes and profits, and after-tax loan repayment; implementing the Beijing Municipal policy for new hi-tech development; implementing contracted responsibility for cutting back deficits; implementing and improving the contracted managerial responsibility system, characterized by "insuring tax and profit, with total payroll linked to economic returns"; and implementing the policy of joint-venture and cooperation.

The municipal government's past practice was that enterprises were controlled by administrative bureaus and general corporations; now those intermediate links are bypassed, and the government directly signs agreements in one of eight ways with enterprises, while directly endowing the enterprise with the power to take management matters in its own hands.

The municipal authorities have explicitly stipulated that those enterprises with signed contracts have the say to readjust and cut back mandatory plans without material insurance or market demand; fix prices for their own products, except products with government-controlled prices; recruit workers from people looking for jobs in Beijing who have a registered permanent urban residence; determine and implement their own capital construction projects under 10 million yuan with self-collected funds, and technological transformation projects under 30 million yuan with self-collected funds; determine the enterprise's internal organizational and personnel establishment; formulate an internal wage and bonus distribution system, with no ceiling or bottom line for their total payroll under the prerequisite that payroll's increased range should not exceed taxes and profits; and they may apply for autonomy in operating in foreign trade when conditions are ripe.

Because of an assortment of reform measures, democratic selection, and rational procedures, enterprises were able to smoothly sign agreements and embark on the transformation journey; thus, a situation in which "comprehensive departments creating relaxation, and workers and staffers work hard to improve their performance" has initially taken shape.

However, initialing an agreement does not equal actually changing the enterprise's managerial mechanism, but has created certain external conditions for enterprises to transform their managerial mechanism. How should we resolve the contradictions between mechanism and structure, and between enterprises and trades? How should relevant enterprises and comprehensive departments change their functions? Beijing municipal authorities have decided to continue their exploration in practice.

Trade Union Membership Tops 103 Million
OW2804102492 Beijing XINHUA in English 0951 GMT
28 Apr 92

[Text] Beijing, April 28 (XINHUA)—The number of trade union members in China has now amounted to 103.89 million, according to statistics from the All-China Federation of Trade Unions.

The statistics also show that there are 614,000 grassroots trade union organizations in China.

According to the All-China Federation of Trade Unions, the trade unions have experienced comparatively rapid development in foreign-funded enterprises. By the end

of 1991, the trade unions in the foreign-funded enterprises have increased to 2,991, compared with the 2,294 in 1990 that had 760,000 members.

In Shenzhen, Zhuhai, Shantou and Xiamen Special Economic Zones and other large coastal cities including Shanghai and Dalian, more than 50 percent of the foreign-funded enterprises have had trade unions.

The federation also revealed that more and more trade unions have emerged in the governmental institutions. Statistics show that there are now 660,000 trade unions in the governmental institutions with 4.21 million members.

In newly-developed township enterprise, trade unions have been set up. There are 19,523 trade unions in these enterprises with 2.9 million members.

The All-China Federation of Trade Unions said that the trade unions at various levels have participated in the management of state affairs, economic and cultural as well as social engagements and help safeguard the legal rights and interests of its members.

Tian Jiyun Outlines Agriculture Goals at Forum

OW2704213592 Beijing XINHUA Domestic Service
in Chinese 1139 GMT 27 Apr 92

[By reporter Ma Chengguang (7456 2052 1639)]

[Text] Beijing, 27 April (XINHUA)—The Research Office under the State Council and the Agriculture Ministry invited some experts and scholars and relevant personnel of agricultural circles to a forum at Zhongnanhai today to discuss development of high-yield, good-quality, and highly efficient agriculture. Vice Premier Tian Jiyun attended the forum to listen to opinions from all and to discuss ways to develop good-quality and highly efficient agriculture on the basis of maintaining a steady increase in total output.

The forum was presided over by Director Yuan Mu of the Research Office under the State Council and Agriculture Minister Liu Zhongyi.

The forum participants held that developing high-yield, good-quality, and highly efficient agriculture is a new demand set by the effort to improve the living standards of the people of our country from having enough to eat and wear to leading a comfortable life in the 1990s, is an unprecedentedly important turning-point in the history of agricultural development in our country, and is the only way to transform traditional agriculture and realize agricultural modernization. Developing high-yield, good-quality, and highly efficient agriculture will provide the market with many kinds of good-quality farm products, raise the economic results of agriculture, increase employment for rural labor power, increase peasants' income, and better fulfill the goal of leading a

comfortable life. At the same time, this will also invigorate agriculture and increase its capacity for self-development, thereby accelerating its modernization.

Vice Premier Tian Jiyun spoke at the forum. He said that the situation of our country's agriculture is very good. Great changes have taken place since the start of reform and opening up to the outside world, and the most profound and obvious changes have occurred in the rural areas. Reform has invigorated and enlivened agriculture, preventing it from declining. There are three main reasons for this: 1) The introduction of the household contract responsibility system with remuneration linked to output, which is the essence of rural reform. The transformation of the past's unitary concentrated operating system, also known as "big rice pot" system, into a responsibility system with the household contract responsibility system with remuneration linked to output as the main form has given the peasants fundamental rights—the independent right to manage land and the right to freely dispose of part of their farm products. A large number of peasants are engaged in farming and running industrial and commercial enterprises, and their enthusiasm for production is high because they have truly benefitted from their operations. If a person is not enthusiastic, no good measures can help. 2) The transformation of the system of purchases and marketing under state's unified planning and the introduction of purchases of grain and other major farm products by contract. The lifting of restrictions on the marketing of farm products has laid down a foundation for upgrading the development of agriculture. 3) Adjustment of the prices of farm products. Regarding the production and dealing of farm products, the ratio of those regulated by the market is increasing. This has played a great role in arousing the initiative of the peasants. Of course, the problems relating to agriculture in our country are currently very serious. For example, the problem of being "hard to sell" exists for major farm products. This has to a large extent dampened the peasants' enthusiasm for production. Besides, the gap between the incomes of people in urban and rural areas and between the prices of industrial and farm products have again widened. Although peasants produce a huge amount of products, their income has increased only slightly or has even decreased. In 1991, the peasants' net income rose only 2 percent after allowing for price increases. If their income increases at this rate, it will be difficult to achieve the objective of leading a comfortable life by the year 2000. Therefore, it is necessary to adopt measures as soon as possible to truly increase their income. Developing high-yield, good-quality, and highly efficient agriculture is a practical, effective, and important way to achieve this goal.

Tian Jiyun said that we have the conditions, the potential, and the methods to develop agriculture to a new level and to gradually optimize its structure and permanently invigorate it. 1) Rain or snow, we must not waver in continuing the household contract responsibility system with remuneration linked to output. We must

remain as firm as iron regarding this system. He who wavers in this question will make mistakes. 2) We must continue to build the socialized services system and solve the various problems related to household contract operations by developing various types of services. 3) We must develop village and township enterprises and the tertiary industry. Whether the peasants will become well off depends on the development of village and township enterprises. 4) We should guide the rural economy toward the commercialization of farm products and market operations.

Tian Jiyun pointed out emphatically that if we are to give a big boost to our agriculture over the next 10 years, we must first think of large-scale agricultural operation and promote the comprehensive development of agriculture, forestry, animal husbandry, and fishery; second, we must think of the economy and follow the road of developing high-yield, good-quality, and highly efficient agriculture. On this basis, we must strive to accomplish these four things: Integration of farming and breeding; integration of agriculture, industry, and commerce; integration of domestic and foreign trade; and integration of agriculture, science, and education. China's agriculture will be very promising if these principles are followed.

Article Warns Against Agricultural Fluctuations

HK2704134492 Hong Kong CHING-CHI TAO-PAO
in Chinese No 14, 13 Apr 92 p 21

["China Economic Forum" article by Li Ming (2621 7686): "Guard Against Great Fluctuations in Agriculture"]

[Text] A number of economists have recently pointed out: China's agriculture is now on the eve of great fluctuations. We cannot regard this view as a "groundless fear."

Despite the serious floods and disasters which hit a dozen provinces in 1991, China reaped bumper agricultural harvests for successive years since 1989, and the output of grain, cotton, pigs, edible oils, and other traditional farm produce remained at the highest level or set new records.

Nevertheless, sales of farm produce dropped comprehensively at the same time. Except for cotton, there are difficulties in the sales, storage, and transportation of grain, edible oils, pigs, sugar, and other major farm produce. Although cotton is selling well now, there will probably be difficulties in sales in the coming two years because of this year's output of over 100 million dan.

Rural industry (mainly township industry), which form a sharp contrast to traditional agriculture, has developed enormously. Regarding rural industry, the environment has improved, there has been a relaxation in money supply, demand is continuously growing, and the policies are preferential. A comparison between rural industry and traditional agriculture shows a decline in the comparative efficiency of traditional farming.

Compared with the past, mainland China's agriculture is more or less like the situation during the 1984-1985 period. The improper policies at that time led to a decline and stagnation in grain and cotton production for successive years. No wonder the economists are now worried about the current situation.

Apparently, the basic starting point of China's agricultural development should be stability, normality, and order, and should avoid falling into the "abnormal cycle" of great fluctuations. Therefore, the following is required:

In market regulation, the government should regard steady output, stable prices, and less fluctuations as basic operational principles and prevent introduction of policies which might lead to fluctuations in the prices and output of farm produce.

In macroscopic control, it is necessary to adopt forceful measures to ensure the basic demands of Chinese society for agricultural development.

The Eighth Five-Year Plan is a historic turning point for China's agricultural development. The core is commercialization and market tendency of agriculture, which will make China's agricultural development rely more on market efficiency. Undoubtedly, this constitutes progress. However, the change should not be too drastic and quick, still less should radical policies be artificially introduced to bring about a change.

Resettlement Proceeds in Three Gorges Dam Area

OW2404084092 Beijing XINHUA in English 0740 GMT
24 Apr 92

[Text] Wuhan, April 24 (XINHUA)—So far more than 170 families living in the dam area of the Three Gorges project, China's largest water conservancy project on the Yangtze River, have been resettled.

The dam area of the Three Gorges project covers four townships in Yichang and Zigui counties in central China's Hubei Province and more than 10,000 people need to move. A Hubei provincial government official said the resettlement here directly affects the preparation and construction of the Three Gorges project.

It is estimated that the Three Gorges project proposed by the State Council will displace 1.13 million people in the whole reservoir area. Experiments have been conducted over the past few years in resettling people by providing funds for development instead of for compensation.

The official said that the local government has explored some methods of resettlement for the people in the dam area. The government will invest in land cultivation and build production and living bases for those farmers who need to resettle themselves in other areas.

He said governments at all levels in the dam area will tackle the problem concerning mountains, rivers, farmlands, forests and roads in a comprehensive way. Much

attention will be put on the economic returns and ecological environment to make the resettled people live and work in contentment.

Yichang County government has cultivated some 200 ha of land for planting orange, chestnut and other economic crops, built 2.3 km of simply-built highway and run a

batch of township enterprises for the people who moved from Sandouping and Letianxi.

The government official said that so far more than 720 farmers have moved out of the dam area.

According to the resettlement office under the Yichang city government, the resettlement work of the dam area will be completed within 1995.

East Region

Jiangsu Congress Standing Committee Ends Session

OW2604113892 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 24 Apr 92

[From the "News" program]

[Text] The 27th session of the Seventh Provincial People's Congress Standing Committee concluded today after wrapping up various items on its agenda.

This morning's plenary session passed a resolution by the provincial People's Congress Standing Committee approving Jiangsu's 1991 final fiscal accounts and the "Provisional Regulations of Jiangsu Province on the Handling of Letters and Visits From the Public."

The plenary session decided to accept the resignation of Bai Yun as secretary general of the provincial people's congress Standing Committee and made Wang Xuecheng acting secretary general. Hua Jiasong was appointed chairman of the Legislative Affairs Committee under the provincial People's Congress Standing Committee in conjunction with the removal of Qin Jie from that position, while Bai Yun was made chairman of the Financial, Economic, and Urban Development Committee under the provincial People's Congress Standing Committee to replace Han Guilin.

In addition, the session decided to name Huang Cuiyu director of the Overseas Chinese Affairs Office under the provincial people's government, and to appoint Wang Hongnian as chairman of the Science and Technology Commission under the provincial people's government after releasing Wu Xijun from acting in that capacity.

The session also relieved Ling Qihong and Dai Shunzhi from the office of vice governor, and appointed Ding Qiaoren as vice president of the provincial Higher People's Court.

During the meeting, members carefully studied and discussed the guidelines of the Fifth Annual Session of the Seventh National People's Congress and those of Comrade Deng Xiaoping's important speeches. They offered many good opinions and suggestions concerning how Jiangsu could accelerate its reform, its opening to the outside world, and its economic construction.

Xing Bai, vice chairman of the provincial People's Congress Standing Committee, chaired this morning's plenary session. Vice Chairmen Li Zhizhong, Li Qingkui, Zhang Yaohua, Tang Nianci, Qin Jie, and Ling Qihong attended the meeting. Vice Governor Gao Dezheng, Li Peiyu, president of the provincial Higher People's Court; Zhao Hong, chief procurator of the provincial people's Procuratorate; and responsible comrades of People's Congress Standing Committees from 11 cities and some counties took part at the meeting as observers.

Shandong Holds Forum on Work Related to Taiwan

SK2504115092 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 18 Apr 92

[Text] The provincial conference on work related to Taiwan was held in Jinan on the afternoon of 18 April. The conference participants relayed the guidelines of the national conference on work related to Taiwan and studied and devised plans for our province's Taiwan work of this year.

Attending the conference were party committee secretaries of various cities and prefectures, directors of offices in charge of Taiwan affairs, and leaders of some provincial departments, institutions of higher learning, and four major enterprises. The conference was presided over by Vice Governor Wang Yuyan. Li Chunting, deputy secretary of the provincial party committee and vice governor, and Vice Governor Guo Changcai, addressed the conference.

In his speech, Li Chunting stressed: The work on Taiwan is one of the important components of the party's overall work. It is necessary to fully understand the important status of this work. Like all other fields of work, the work on Taiwan should also be carried out in close connection with the party's basic line, be subordinate to, and serve the party's central task. With the development of the international situation and the changes in relations between both sides of the Strait, the tasks on Taiwan work have become increasingly complicated and difficult. The party committees and governments at all levels should pay great attention to this work, realistically strengthen leadership, and strive to create a new situation in our province's opening work.

In his speech, Guo Changcai reviewed our province's work on Taiwan and listed demands for doing a better job in our province's work on Taiwan. Guo Changcai pointed out: We must carry out the work on Taiwan in close connection with the central task of economic construction; actively grasp the two priorities of Taiwan economic and trade work and the contacts and exchanges between the people of both sides; include the Taiwan economic and trade work in our province's overall economic development strategy and give them simultaneous consideration; and combine it with our province's implementation of the 10-Year Program and the Eighth Five-Year Plan. Under the principle of giving simultaneous attention to large, medium-sized, and small projects, we should try by all possible means to induce large enterprises and financial groups in Taiwan to invest in our province. The work on Taiwan is a very important policy issue and involves many sectors. All relevant departments should support one another and maintain close coordination, jointly push our province's Taiwan economic and trade work to a new level, and make greater contributions to accelerating our province's economic construction and promoting the progress of the peaceful reunification of our motherland.

Wu Bangguo, Huang Ju Attend CPPCC Session

*OW2504023592 Shanghai JIEFANG RIBAO in Chinese
20 Apr 92 p 1*

["Fifth Session of the Seventh Shanghai Municipal CPPCC Committee Opens"]

[Text] The Fifth Session of the Seventh Shanghai Municipal Committee of the Chinese People's Political Consultative Conference (CPPCC) opened ceremoniously at the Shanghai Exhibition Center yesterday morning.

At 0900, chairman of the municipal CPPCC committee Xie Xide declared the opening of the session. All participants then rose and sang the national song. Members of the municipal CPPCC committee approved the agenda for the session by acclamation.

Xie Xide delivered an opening speech. She said: The current session is held at a time when Shanghai is stepping up reform and opening up to the outside world. It is hoped that, at panel discussions and forums on special topics and in making speeches at the plenary meeting and in motions to the session, all members of the municipal CPPCC committee and people of various circles should further emancipate their minds, seek truth from facts, give full play to democratic spirit, actively express their views on state affairs, make more suggestions, offer good proposals, and work hard to turn this session into a democratic and practical meeting, a meeting of solidarity, and a meeting to whip up our spirits.

Leading members of the municipal CPPCC committee including Mao Jingquan, Xu Yifang, Dong Yinchu, Zhang Ruifang, Yang You, Chen Mingshan, Zheng Lizhi, Zhao Xianchu, Chen Haozhu, and Chen Fugen as well as members of the standing committee of the municipal CPPCC committee are seated at the rostrum.

Leading comrades of the party, government, and army in Shanghai attending the meeting at invitation were: Wu Bangguo, Huang Ju, Chen Zhili, Ni Hongfu, Chen Tiedi, Zhang Dinghong, Wang Liping, Chen Guodong, Zhao Xingzhi, Ye Gongqi, Sun Guizhang, Tan Jiazhen, Ye Shuhua, Li Jiahao, Wang Chongji, Hu Chuanzhi, Gu Chuanxun, Liu Zhengyuan, Xie Lijuan, Zhuang Xiaotian, Wang Daohan, Li Chuwen, Zhu Xiaochu, Sun Yumei, Zhang Jihe, Lu Neihe, Lu Linyuan, Gu Nianzu, and Shi Zhusan. Also attending the meeting at invitation were veteran comrades including Han Zheyi, Chen Yi, Yang Di, Li Guohao, Yang Shifa, Zhang Chengzong, Song Richang, Jing Renqiu, and Zhou Bi, as well as responsible comrades of municipal departments, commissions and offices, various districts, counties and bureaus, schools of higher learning and scientific research units, large and medium sized enterprises, and offices of various fraternal provinces and cities in Shanghai. Diplomatic officials of consulate generals of a number of foreign countries also attended the meeting by invitation.

Wu Zengliang, vice chairman of the municipal CPPCC committee, made a report on the work of the Standing Committee of the Seventh Shanghai Municipal CPPCC Committee at the meeting. After reviewing work in 1991, he put forward the main tasks for 1992 as follows:

1. It is essential to study and publicize the theory on building socialism with Chinese characteristics, and raise the consciousness and sense of urgency of people in implementing their party's basic line in an all-around way.
2. It is essential to give full play to the role of political consultation and democratic supervision in light of the central tasks of economic construction and reform and opening up to the outside world.
3. It is essential to carry forward the spirit of the CPPCC and vigorously promote the construction of socialist spiritual civilization, democracy, and the legal system.
4. It is essential to continue to hold high the banner of patriotism and socialism, and actively develop friendly contacts with people abroad.
5. It is essential to strive to improve the work of the CPPCC and seriously make preparations for the election of members of the Eighth Shanghai Municipal CPPCC Committee.

Wang Xing, vice chairman of the municipal CPPCC committee, made a report on the work of the motions committee on the handling of motions since the Fourth Session of the Seventh Shanghai Municipal CPPCC Committee. Yan Dongsheng, vice chairman of the municipal CPPCC committee, made a report to disseminate the guidelines of the Fifth Session of the Seventh CPPCC National Committee.

In the afternoon, members of the municipal CPPCC committee held panel discussions to deliberate a report on the work of the Standing Committee of the Seventh Shanghai Municipal CPPCC Committee.

Session Closes

*OW2604194892 Shanghai People's Radio Network in
Mandarin 1000 GMT 26 Apr 92*

[From the "News and Weather" program]

[Text] The eight-day fifth session of the Seventh Shanghai Municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] closed at the Shanghai Exhibition Center this morning.

Vice Chairman Mao Jingquan of the Municipal CPPCC Committee presided over the session. Municipal CPPCC Committee leaders seated in the front row on the rostrum included Xie Xide, Wang Xing, Dong Yinchu, Yang You, Wu Zengliang, Zheng Lizhi, Chen Haozhu, Xu Yifang, Zhang Ruifang, Chen Mingshan, and Zhao Xianchu. Wu Bangguo, Huang Ju, and other leading

municipal party, government, and military comrades attended the closing ceremony.

The session adopted by a show of hands the resolution of the fifth session of the Seventh Shanghai Municipal CPPCC Committee approving Mayor Huang Ju's government work report delivered on behalf of the municipal government. The resolution says: Major principles and policies have been formulated to promote Shanghai's development. There are clear-cut objectives and tasks. Ideologically, it is necessary to guard against "rightism," though vigilance should be maintained principally against "leftism."

The session endorsed Vice Chairman Wu Zengliang's report on the work of the Municipal CPPCC Committee Standing Committee and Vice Chairman Wang Xing's report on the processing of motions since the fourth session of the Seventh Shanghai Municipal CPPCC Committee. The session urged CPPCC members and people in all sectors of society to conduct a serious study of Comrade Deng Xiaoping's expositions on building socialism with Chinese characteristics and to try to gain a thorough understanding of such expositions. It also asked them to emancipate their minds, boost their confidence, comprehensively implement the party's basic line, and hold aloft the banner of patriotism and socialism. They were also exhorted to follow the Shanghai Municipal CPC Committee's leadership in further enhancing the unity of various parties, civic organizations, and people in all walks of life; in strengthening friendly relations with compatriots in Taiwan, Hong Kong, and Macao as well as Chinese nationals residing abroad; in consolidating and developing the broad patriotic united front; and in making joint efforts to promote Shanghai's prosperity and reunify the motherland.

The session also heard a report from the motions committee of the Seventh Shanghai Municipal CPPCC Committee on the examination of motions submitted during the fifth session of the Seventh Shanghai Municipal CPPCC Committee.

Deputy Secretary Chen Tiedi of the Shanghai Municipal CPC Committee delivered a speech in which she congratulated the session's complete success. She called on Municipal CPPCC Committee members to gain a thorough understanding of the essence of Comrade Deng Xiaoping's important speeches and to earnestly implement the CPC Central Committee's guidelines on upholding and improving the CPC-led system of multi-party cooperation and political consultation. She also urged party committees and governments at all levels to stress and support CPPCC-related work and to jointly open up new prospects for such work in Shanghai.

Chairwoman Xie Xide of the Municipal CPPCC Committee, delivered a closing speech. She said: The new situation and new tasks have entrusted people's political conference committees with new missions and offered them new opportunities for exercising their functions.

We should earnestly implement the session's proposal on emancipating our minds and renewing our concepts. Our political conference committee consists of people trained in various fields. We should give full rein to democracy; tap our resources extensively; boldly battle old concepts that impede reform, openness, and the development of productive forces; and bravely lend support to new things.

Xie Xide said: Idle talk will get the country into trouble while concrete work will lead to its prosperity. She expressed the hope that the session would lead to a new stage of CPPCC-related work, and that the 14th National Party Congress would be ushered in with concrete work.

Nameslist of Shanghai Municipal Congress Presidium
OW2604092392 Shanghai WEN HUI BAO in Chinese
21 Apr 92 p 1

[Text] Nameslist of the Presidium and secretary general of the Fifth Session of the Ninth Shanghai Municipal People's Congress

(Adopted on 11 April 1992 at the 33rd Standing Committee meeting of the Ninth Shanghai Municipal People's Congress)

The Presidium (84 people, listed in the order of the number of strokes in their surnames):

Qi Yi [0060 3354] (female), Wan Deyun, [8001 1795 0061] Ma Renbin [7456 0086 2430], Wang Jian [3769 7003], Wang Haoyang [3769 3185 7402], Wang Juzhen [3769 5468 3791] (female), Wang Chongji, Ba Zhongtan, Li Wuwei [0632 2455 3956], Shi Guanghai [0670 0342 3189], Ye Gongqi, Ye Shuhua (female), Shi Wanjun [0670 8001 6874], Jiang Rong, Liu Nianzhi, Liu Jingji, Liu Yuyang [0491 6276 7122] (female), Xu Wensi [6079 2429 1835], Xing Zhikang (female), Zhu Genrong [2612 2704 2837], Sun Guizhang, Sun Daolin [1327 6670 2651], Sun Lulang [1327 7627 2597], Sheng Baozhi, [3088 0202 2535], Shen Minkang [3088 2404 1660], Xin Kefang [1823 0668 0972], Yan Meixiang, Li Guoheng [2621 0948 5899], Li Jiahao, Li Jinglin [2621 2529 2651] (Female), Yang Shifa [2799 1102 3127], Yang Daiwei [2799 0108 5524], Yang Fuzhen [2799 1381 3791] (Female), Wu Bangguo, Wu Zongxi [0702 1350 6932], Zhang Renrui [1728 0086 3843], Zhang Longxiang [1728 7893 4382], Zhang Dinghong, Zhang Hongqu [1728 3163 3255], Zhang Zhongchao [1728 6850 6389], Zhang Siming [1728 1835 2494], Zhang Gongwei [1728 1872 0251], Lu Ming [7120 2494], Lu Changxin [7120 7022], Chen Yi [7115 3085], Chen Wei [7115 3555], Chen Xintian [7115 1800 3944], Chen Tiedi (Female), Chen Jiming [7115 4949 2494], Chen Beilei [7115 5563 5623] (Female), Chen Deming [7115 1795 2494], Chen Xining [7115 3556 1337], Zheng Ci [6774 1964] (Female), Lin Wenjin [2651 2429 6651], Lin Bingqiu [2651 3521 4428], Luo Yunfang [5012 0061 5364] (Female), Zou Bi [0719 3880], Jin Minzhu [6855 7044 3796] (Female), Jin Jiaru [6855 1367 1172], Zhao Xiangzhi [6392 5887 0037], Zhao Zukang, Hu Lijiao,

Hu Chuanzhi, Hu Ronghua [6320 2837 5478], Ru Zhi-juan [4588 1807 1227] (Female), Tan Jiazhen, Gu Deng [7357 3597], Xi Xinxiong [1152 1880 7160], Weng Shilie, Xu Yixun [1776 0076 8113], Feng Shuchun, [6646 2885 2504], Liang Wujie [4731 2976 2638], Huang Huanmei [7806 2719 5019], Cao Miao [2580 8693], Jiang Qigeng [5592 0366 5087], Han Xuezhong [7281 1331] (Female), Shu Wen [5289 2429], Chu Houren [5969 0683 0088], Qiu Shaoheng [5941 1421 1854], Cai Jun [5591 6511], Cai Zhengde [5591 2973 1795], Cai Erhai [5591 1422 3189], Guan Renxin [4619 0086 1800], Qu Yunbao [4234 0061 1405]

Secretary general: Sun Guizhang

Shanghai Deputies Discuss Public Security Issues

OW2604131892 Shanghai People's Radio Network
in Mandarin 2300 GMT 24 Apr 92

[Report by station reporter Zhou Baogong from the "Morning News" program—read by announcer]

[Text] Yesterday afternoon, a number of deputies attending the fifth session of the ninth municipal people's congress carried out specific discussions on the issue of public security.

The deputies noted that public security is very important because it has a direct bearing on Shanghai's reform, opening to the outside world, and economic construction. They hope that the municipal government will further strengthen the ranks of public security personnel and improve the working and living conditions of public security cadres and policemen. The deputies' speeches were filled with understanding, concern, and care for the police security departments, and they contained many constructive ideas and suggestions.

(Hong Dalin), (Han Yongxi), and their fellow deputies suggested ways to put an end to certain hideous phenomena in today's society.

Deputy (Qu Naikuan) suggested that we strengthen the building of grass-roots public security substations and build closer relations between the police and the people.

(Li Renjie) and other deputies suggested that the Standing Committee of the municipal people's congress and the municipal government study and draw up measures to solve new problems that have emerged as a result of the deepening of reform, such as labor redundancy.

Vice Mayor Liu Zhenyuan and responsible individuals from Shanghai's public security, procuratorial, and judicial departments attended the session as observers.

Review Pudong Development

OW2604130292 Shanghai People's Radio Network
in Mandarin 2300 GMT 24 Apr 92

[Report by station reporter Zeng Hua from the "Morning News" program—read by announcer]

[Text] Pudong development—an issue Shanghai residents are following with interest—is among the main topics being discussed at the current session of the municipal people's congress. In yesterday's special deliberations on the issue, dozens of deputies expressed their views on this major subject.

Deputy (Wu Zhiguang) believes Pudong should be considered a new and developing city. During the current stage of infrastructural construction, he said, we should keep long-term benefits in mind and guard against being overeager for quick success and instant benefits.

Deputy (Zhong Weiling) called for the early settlement of issues related to the establishment of a system for the New Pudong District. He also suggested that enterprises established within the New Pudong District operate under the new system from their inception. Departments in charge of labor, personnel, and other supportive functions should cooperate along these lines.

Deputy (Wang Naili) suggested designating special zones in Pudong for the development of tourist spots. When approving the construction of hotels and office buildings in Pudong, the oversupply of such facilities in Puxi should be taken into account and be offset in an effort to bring about an overall balance.

Shanghai Mayor Huang Ju Explains Government Work

OW2604172392 Shanghai People's Radio Network
in Mandarin 2300 GMT 25 Apr 92

[From the "Morning News"]

[Text] The Fifth Session of the Ninth Shanghai Municipal People's Congress held its fourth plenary session yesterday morning [25 April]. At the session, deputies heard Mayor Huang Ju's explanations on questions raised by deputies regarding his work report.

The meeting was presided over by Executive Chairman Ye Gongqi. Members of the municipal committee of the Chinese People's Political Consultative Conference attended the session as observers.

Huang Ju first thanked the deputies for their support for government work. He said: One of the questions discussed most by the deputies is their demand that government departments change their thinking and concepts, be bolder, and dare to take risks. The key for government departments to change their thinking lies in leading cadres—they must heighten their consciousness for implementing the party's basic line. While keeping vigilance against deviation to the right, our main attention should be paid to guarding against deviation to the

left. In our tasks, we must work hard to implement policies, intensify reform, and speed up the pace of opening up. There are forbidden zones, difficult zones, and blind zones as far as Shanghai's reform, opening up, and economic development are concerned. All these problems need to be overcome one by one in the future. There are three prerequisites when it comes to breaking new paths: 1) The party's basic line must be carried out. 2) A new way should be explored for developing the economy in a super large city that integrates economic planning with the market economy. 3) It will help enhance Shanghai's overall economic strength, speed up the pace of development, and improve the people's living standards. Research, experiment, and actual implementation must be well coordinated; that is, economic research departments must be resourceful, pilot units should try out a wider variety of experiments, and measures that have been adopted should be implemented in a solid and steady manner. At the same time, we must properly handle the relations between laws, regulations, and specific administrative measures.

Huang Ju said: In our work we must guard against empty talk and stress solid work. We must emphasize trailblazing, persistence, and hard work. Trailblazing research should precede actual work. We will certainly meet problems of one kind or another in the course of reform and opening up. We will make progress so long we work with persistence. Things can only be accomplished through hard work. We will be able to achieve real results so long as we do solid work in a down-to-earth manner.

Huang Ju also offered some supplementary explanations on his work report by elaborating on such issues as structural readjustment, accelerating the pace of projects, opening up wider, the eastern regions' helping bring along development in the western regions, deepening reform, doing solid work, promoting both material and spiritual civilizations, and changing government functions.

In conclusion, he said: The municipal government is determined to seize the current opportune time to accelerate Shanghai's development, subject itself to the supervision of the people's deputies and people throughout the city, and do its work well to ensure the smooth implementation of reform and opening up.

Shanghai Leaders on Preferential Policies

HK2704064292 Hong Kong TA KUNG PAO in Chinese
23 Apr 92 pp 1, 3

["Special dispatch" by staff reporters Kao Hsiao-hsiao (7559 5135 4562) and Kan Ku (1626 6253): "Shanghai Municipal CPC Committee Secretary and Mayor Meet TA KUNG PAO Director Yang Qi and Talk About Development of Real Estate and Stock Markets in Shanghai"]

[Text] Shanghai, 9 Apr (TA KUNG PAO)—Yesterday afternoon, TA KUNG PAO director Yang Qi and assistant chief editor Chen Tong visited Wu Bangguo,

Shanghai Municipal CPC Committee secretary, and Shanghai Mayor Huang Ju. The hosts and guests held talks in a cordial and friendly atmosphere. Wu Bangguo and Huang Ju provided brilliant explanations on economic cooperation between Shanghai and Hong Kong and also answered the guests' questions.

As soon as the meeting started, Mayor Huang Ju talked about relations between Shanghai and Hong Kong and quoted former Mayor Zhu Rongji's remarks during a visit to Hong Kong: "Hong Kong's strong points can help overcome Shanghai's weak points, and Shanghai's strong points can serve Hong Kong's needs." He pointed out that both Shanghai and Hong Kong have strong points and can absolutely supplement each other. He added: Some friends in Hong Kong commercial circles are enthusiastic about Shanghai's development but are also worried that Shanghai's development might affect Hong Kong's prosperity. This worry is unnecessary. As a matter of fact, Shanghai and Hong Kong have conducted frequent trade and financial exchanges and their relations have developed steadily. Now Hong Kong investments rank first among foreign investments in Shanghai, and Hong Kong is Shanghai's biggest trade partner. Looking into the future, the two cities will develop their strong points and help overcome each other's weak points. Their relations will become closer following the exhibition of their strong points. Hong Kong has accumulated much experience in imports, exports, and reexport trade and in carrying out the processing industry. It has strong points which Shanghai can take for reference in opening overseas markets, in assimilating advanced technology, and in management. Shanghai possesses rocket, meteorological satellite, nuclear power station, and research and production of equipment advanced technologies. Shanghai has a complete range of industrial branches, good quality scientific and technological personnel, and over 1,600 research organizations. About 450,000 people are engaged in natural science. In addition, located on the West Pacific coast, Shanghai has a superior geographical position. Following the shift of the world economic center in the 21st century, Shanghai will become one of the trade and financial centers in the Asia-Pacific region in the coming 20 or 30 years.

Emancipating the Mind a Little Further

After Wu and Huang explained the relations between the two cities, Yang Qi related some questions which are of particular concern to Hong Kong and overseas investors:

1. Which of Shanghai's policies are more preferential than Guangdong and Fujian special economic zones in expediting the pace of opening up?
2. What are Shanghai's policies on developing the real estate business? What are its new ideas?
3. How is the development trend of Shanghai's securities market, particularly its stock market?

Secretary Wu Bangguo and Mayor Huang Ju answered these questions. They said modestly: The difference is

that our open concept is not as strong as Guangdong's. Shenzhen has 10 years' experience in reform and opening up but Shanghai did not develop fast years ago. Now, as Comrade Deng Xiaoping said, Shanghai should emancipate its mind a little further, be a little bolder, and move a little faster. So, Shanghai can absolutely do a little better.

These two Shanghai leaders pointed out: Two years ago the State Council provided 10 preferential policies for Shanghai's Pudong to support its development. At the end of last year the State Council approved Pudong's request to expand the approval right for five major projects and increased the capital pooling channels from five aspects, again in support of Pudong's development. Therefore, the new Pudong area can now speed up the pace of opening up. They also cited five new situations: 1) Foreign enterprises are allowed to set up retail shops and supermarkets in the new Pudong area. 2) It can approve the selling of shares, including B shares. 3) In Gaoqiao outside the new Pudong area, the country's biggest bonded zone will be built, which will be a free trade zone. In this zone, a free-tariff, free-license principle will be implemented while introducing preferential policies including allowing the establishment of Chinese- and foreign-funded international trade organizations, 100 percent foreign exchange retention by enterprises, and free circulation of foreign currencies. 4) Foreign countries are allowed to open banks, financial firms, and insurance companies in all of Shanghai. 5) Shanghai will be granted the right to approve the establishment of productive and nonproductive enterprises in the new Pudong area as well as enterprises' self-operated imports and exports. These are the contents of the new preferential policies. Of course, our preferential policies are basically the same as special economic zones'. But, we will provide investors as much convenience as possible.

Opening, Developing Real Estate Business

On the development trend of Shanghai's real estate business, Mayor Huang Ju indicated: Shanghai wishes to develop real estate business in a comprehensive way. We particularly welcome Chinese and foreign enterprises to invest in Pudong for its development. They may build hotels, restaurants, as well as commercial and residential buildings. Also, they purchase real estate in Puxi in coordination with the transformation of its old districts. This is a new field for Shanghai to cooperate with foreign countries this year. Thus Shanghai will have a bigger development scope than before in real estate business.

Secretary Wu and Mayor Huang said: Now the land in the new Pudong area is for compensatory use. Overseas investors may set up their own companies or cooperate with the mainland for real estate development in Pudong. On land prices, Shanghai will provide a preferential policy "according to development projects and stamina." On the time limits for the use of land, they pointed out that the general time limit is 50 years and the longest is 70 years; the time limit for housing is 70 years. The 20-year cooperative management approved in the past

may be changed to 50 years by paying additional land prices. They stressed: In the initial development period of the new Pudong area, land prices are low and the right to use land may be transferred on a compensatory basis. Therefore, those who come first will benefit first.

Mayor Huang Ju pointed out: In the past, commercial apartments in Shanghai were only sold to Overseas Chinese and their relatives. Now these apartments are sold to everyone, including those who come from other provinces and cities and run enterprises in Shanghai. They can use renminbi or foreign currencies. Foreign investors in Shanghai need foreign exchange to develop real estate business. Shanghai can provide foreign exchange at regulatory prices, and the profits may be remitted out of the country. He disclosed that individual foreign exchange deposits increased by a wide margin last year and that some citizens have foreign exchange facilities to buy apartments.

Legal Entities' Stocks Will Be Put on Market Next Month

Wu Bangguo and Huang Ju explained the development trend of the securities market. They said: The Shanghai securities market is mainly for bond transactions at present. Last year's transactions amounted to 12.6 billion yuan, the larger part of which came from selling debentures and state treasury bonds. Stocks are not many, so the prices are still controlled. Only the prices of two kinds stocks have been opened on a trial basis. The stock market does not fluctuate much. Therefore, the citizens only have to take small risks in buying stocks. Many people think they will make much money from buying stocks. As a matter of fact, this cannot be regarded as a mature stock market.

Wu and Huang further pointed out: There will be an increase of several hundred million yuan in the Shanghai stock market this year and \$100 million of B-stocks will also be issued. Experiments will be expedited in this respect so that some shareholding enterprises can put their stocks on the market. Apart from individual stocks which are already on the market, legal entities' stocks can also be sold next month to speed up fund circulation.

They said: While inspecting the Shanghai stock exchange center, Premier Li Peng pointed out that the stock market could be used as a means to raise capital for enterprises and as a mirror for enterprises to look into their management. But there is a need to improve the relevant rules and regulations and to strengthen the citizens' mentality about risks in the stock market so the stock market will better serve socialist economic construction. They said that now Shanghai is giving publicity to the shareholding system and stock transactions and is improving management over stock transactions.

Huang Ju Leaves Shanghai for Japan, U.S. Visit
OW2804001492 Shanghai People's Radio Network in
Mandarin 1000 GMT 27 Apr 92

[From the "News and Weather" program]

[Text] At the invitation of the World Bank in San Francisco, the United States, and Japan's Osaka City, a Shanghai municipal delegation headed by Mayor Huang Ju left Shanghai by plane for the United States and Japan at noon today.

During the visit, the Shanghai municipal delegation will introduce Shanghai's achievements in carrying out reform and opening up to the outside world and the investment environment in Shanghai's Pudong District to various circles in the United States and Japan. The delegation will also meet with people of the industrial, commercial, and financial circles in the two countries.

Leading persons of various municipal commissions, offices, and bureaus accompanying Mayor Huang Ju include (Xia Keqiang), Xu Kuangdi, Sha Lin, (Xu Chaokun), (Sun Youdao) and (Yu Kunyan). Leading members of the municipal government and responsible persons of concerned departments went to the airport to bid farewell to the delegation, including Zhao Qizheng, Wang Liping and Wan Xueyuan. U.S. Consul General in Shanghai Frank Wardlaw (Wan Leshan), and Japanese Consul General in Shanghai Yoshihiro Hasumi also went to the airport to see them off.

Central-South Region

Xie Fei Calls for Checking 'Ugly Phenomena'

HK2704062992 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0619 GMT 24 Apr 92

[Text] Guangzhou, 24 Apr (ZHONGGUO TONGXUN SHE)—At a recent provincial political and legal work meeting, Xie Fei, Guangdong Provincial CPC Committee secretary, stressed: Principal party and government leaders at all levels should effectively shoulder their responsibilities and mobilize the entire party membership and the whole people to struggle against all ugly phenomena and criminal activities. If they fail to do a good job in this work, they will be held responsible for it.

A source said: In the speech he delivered at the meeting, Xie Fei pointed out: When visiting Guangdong during his tour of southern China, Deng Xiaoping urged Guangdong to attain a higher goal in 20 years' time. This meant setting higher demands for the province's political and legal work. We now already have principles, policies, measures, and requirements for comprehensive management of social order. What counts here is resolute implementation.

Xie Fei urged implementing the comprehensive social order improvement program in three ways: 1) Efforts should be made to set up antitheft, mutual-defense organizations level by level downward and genuinely bring their role into play. The mutual-defense contingent can be composed mainly of militiamen. The militia organizations should be perfected. 2) The measures to crack down on prostitution activities should be put into effect. Not a single prostitute or brothel patron who is

caught should be freed. The problem of collecting and education centers should be solved as a solid task. Those working in service trades who serve as planted agents, pass on information, and protect prostitution should be treated as prostitutes and brothel patrons and sent to collecting centers for reeducation through labor. If the manager of a hotel is involved in such activities, he should be sent to a collecting center for reeducation through labor and, moreover, his hotel should be ordered to close down for rectification. Hotels are prohibited from providing hostesses; hairdressing salons are prohibited from providing illegal pleasure-seeking rooms; and no one shall provide places for philandering by capitalizing on the form of karaoke. An overall investigation will be launched in three months time to check whether the three requirements are being met. Accounts will be settled with those failing to meet the requirements. 3) Efforts should be made to improve social order in specific fields. In the light of actual conditions, localities should pay close attention to their relatively pronounced problems and the fields of endeavor where problems are comparatively outstanding and solve them as a priority task.

Lei Yu Elected Vice Chairman of Guangxi

OW2704144892 Beijing XINHUA in English 1404 GMT 27 Apr 92

[Text] Nanning, April 27 (XINHUA)—The legislature of the Guangxi Zhuang Autonomous Region on Sunday elected Lei Yu, the former administrative chief of Hainan Island, vice-chairman of the region's government.

Lei, 58, was appointed chief of the Hainan Administrative Zone in 1983. The zone was the predecessor of Hainan Province.

Lei, who reportedly contributed greatly to the development of south China's Guangdong Province in the early 1980s, was connected to an automobile speculation case while serving as chief of the Hainan Administrative Zone. As a result of his activities in the mid-1980s, Lei was disciplined and demoted to the rank of Communist Party secretary for two small counties—Huaxian and Zengcheng County—in Guangdong.

In 1988, Lei was elected Vice Mayor of Guangzhou, capital of Guangdong Province.

Lei was elected to his current position during the 28th meeting of the Seventh Guangxi Regional People's Congress which ended on Sunday.

'Brief Biography' Given

HK2704125292 Nanning Guangxi People's Radio Network in Mandarin 2300 GMT 25 Apr 92

[Text] The following is a brief biography of Comrade Lei Yu:

Lei Yu, male, was born in June, 1934, and is a native of Hengxian County of Guangxi Region and is of Han Nationality.

The college-educated Lei Yu started work in December, 1949, and joined the CPC in November, 1962. He is currently member of the Guangzhou City CPC Committee Standing Committee and deputy mayor of Guangzhou City.

After December, 1949, Lei Yu worked as a soldier, a copy clerk, a clerk, and a clerical worker.

After 1952, Lei Yu worked as a member of an administrative section of the Hegang Mining Bureau of Heilongjiang Province and later as secretary of the Nanshan Mine CPC Branch.

After 1964, Lei Yu worked as a member and then director of the Political Research Office under the General Office of the Heilongjiang Provincial Coal Bureau.

After 1969, Lei Yu worked first as a clerk of the Production Command Headquarters of the Heilongjiang Provincial Revolutionary Committee and then as deputy director of the Secretariat of the Heilongjiang Provincial Industry and Communications Office.

After 1977, Lei Yu worked as a secretary at the Liaoning Provincial CPC Committee and then as section chief and deputy director of the Political Research Office of the Liaoning Provincial CPC Committee.

After 1980, Lei Yu worked as deputy director of the General Office of the Guangdong Provincial CPC Committee and deputy director of the Research Office of the Guangdong Provincial CPC Committee.

After 1982, Lei Yu worked as the third secretary of the Hainan Administrative District CPC Committee and concurrently as director of the Hainan Administrative Office.

After 1983, Lei Yu worked as deputy secretary of the Hainan Administrative District CPC Committee and concurrently as director of the Hainan Administrative District.

After 1985, Lei Yu worked as deputy secretary of the Huaxian County CPC Committee and later secretary of the Zengcheng County CPC Committee.

After 1988, Lei Yu worked as deputy mayor of the Guangzhou City People's Government and a member of the Guangzhou City CPC Committee Standing Committee.

Liu Jianfeng Urges Promoting Shareholding Reforms
OW2504104592 Beijing XINHUA in English 1032 GMT
25 Apr 92

[Text] Haikou, April 25 (XINHUA)—Liu Jianfeng, governor of China's southernmost Hainan Province, today

urged his province to be bold in promoting share-holding reforms in its state-run firms.

Speaking at the Sixth meeting of Hainan Provincial People's Congress, the governor said share-holding system is a good way of collecting construction funds and supervising the management of state-owned firms.

He said the priority of reforms in Hainan's state-owned enterprises should be promoting share-holding system while improve the firms' contract responsibility system.

The governor also urged the province to actively create condition for the introduction of the share-holding systems in selected enterprises on a trial basis.

Five enterprises in Hainan, the largest special economic zone in China, have adopted share-holding system.

To date, the five firms issued 539 million yuan worth of shares within the firms.

Hainan Sets Yangpu Legislation Work Leading Group

HK2804061292 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 25 Apr 92

[Text] A leading group in charge of legislation work concerning the Yangpu Economic Development Zone has recently been set up.

Vice Governors Xin Yejiang and Mao Zhijun have been appointed chief and deputy chief of the leading group respectively.

When interviewed by reporters yesterday, Xin Yejiang said: The 12 management regulations regarding Yangpu's development have entered the finalization stage. Yu Yuanping, general manager of the Kumagai Gumi (Hong Kong) Company Ltd., has announced that Yangpu's development is to commence this June. Time is limited. The leading group is currently organizing personnel to solicit opinions on an extensive scale and conduct careful examination and study in a bid to finalize the regulations in accordance with the principles of equality, mutual benefit, and reciprocal profits as soon as possible to place Yangpu's development with a legal orbit from the outset.

Mao Zhijun states: The foreign-related large-scale development of 30 square km of land is the first of its kind in China. The formulation of the relevant regulations is aimed at safeguarding China's sovereignty and national interests and at complying with the common international practices. To this end, we will relax policies, simplify procedures, and fully embody the legal status as well as the basic powers and rights of foreign investors in the host country. We will make special efforts to see to it that foreign investors and entrepreneurs will enjoy full management and operational decisionmaking power in the development zone.

The leading group members include persons in charge of the provincial legal affairs bureau, the Yangpu Development Management Office, the provincial economic cooperation department, the provincial state-owned land development bureau, the Haikou Customhouse, and other departments, as well as a number of legal experts.

Guan Guangfu Attends Hubei CPPCC Session

HK2804073392 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 25 Apr 92

[Excerpts] The eight-day Fifth Session of the Sixth Hubei Provincial Chinese People's Political Consultative Conference [CPPCC] Committee successfully concluded in Wuchang's Hongshan Auditorium today. [passage omitted]

Shen Yinluo, provincial CPPCC committee chairman; Mu Changsheng, Hu Hengshan, Zhang Wencai, Song Yusen, Lin Shaonan, Han Wenqing, Xie Zhi, Zhou Zibai, Shi Quan, Ping Linbo, Zeng Chonglang, Yan Zhaocheng, and Wang Qigang, provincial CPPCC committee vice chairmen; and Wang Zhengxiang, provincial CPPCC committee secretary general, attended the closing session and were seated at the rostrum.

Provincial party, government, and military leading comrades, including Guan Guangfu [provincial party committee secretary], Guo Shuyan [governor], Qian Yunlu, Chen Ming [provincial advisory committee chairman], Huang Zhizhen [provincial people's congress standing committee chairman], Ding Fengying [provincial discipline inspection commission secretary], Zheng Yunfei, Zhong Shuqiao, Li Daqiang, Wang Shen [provincial military district commander], and Wang Zhongnong, attended the closing session, extended their congratulations to the session's successful conclusion, and were seated at the rostrum.

Vice Chairman Mu Changsheng presided over today's closing session. [passage omitted]

The session adopted the following documents:

1. Resolution on the Sixth Hubei Provincial CPPCC Committee Standing Committee Work Report.
2. Resolution on the Motions Examination Report of the Motions Committee of the Fifth Session of the Sixth Hubei Provincial CPPCC Committee.
3. Resolution on the Decision of the Fifth Session of the Sixth Hubei Provincial CPPCC Committee To Support the Building of the Three Gorges Project.
4. Political Resolution of the Fifth Session of the Sixth Hubei Provincial CPPCC Committee.

Shen Yinluo, provincial CPPCC committee chairman, delivered a speech. [passage omitted]

Xiong Qingchuan, Deputies Deliberate Report

HK2404125092 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 23 Apr 92

[Excerpts] Yesterday morning, provincial party committee Secretary Xiong Qingchuan, provincial Vice Governor Chen Binfan, and some other provincial leaders arrived at the dwelling place of the Changsha deputies to the provincial people's congress and joined the deputies in deliberating a provincial government work report.

Comrade Xiong Qingchuan called on Changsha to bring into play its superiority as the provincial capital and to strive to set a good example for the whole province in the course of reform and opening up.

The Changsha deputies began airing their views one after another at 0800. [passage omitted]

Comrade Xiong Qingchuan stated: All departments directly under the provincial authorities should offer more support and less interference. All units directly under the provincial authorities are shouldering an unshirkable responsibility in developing the provincial capital.

Comrade Xiong Qingchuan noted: The provincial authorities will exert their utmost to turn Changsha into a state-designated open city along the Dongting River and to try to link Changsha with Yueyang. We hope that Changsha, for its part, will also make redoubled efforts to speed up the building of a high and new technology development zone.

Southwest Region

Guizhou CPPCC Standing Committee Meeting Opens

HK2704134792 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 21 Apr 92

[Text] The sixth provincial Chinese People Political Consultative Conference (CPPCC) Standing Committee held its 25th meeting in Guiyang today.

Provincial CPPCC Chairman Miao Chunting, Vice Chairmen Song Shugong, Wang Fuqing, et al., attended.

Zhang Shukei, provincial party committee Standing Committee member and vice governor, briefed the audience on the industrial and agricultural production situation and explained the notice on several problems concerning measures set forth by the provincial party committee and government for expediting reform and opening and economic development.

At yesterday's meeting, Lu Zhenfan, member of the CPPCC National Committee Standing Committee, also reported to the participants on the spirit of the fifth sessions of the seventh NPC and CPPCC National Committee.

Yang Rudai Addresses Science, Technology Forum*HK2604024992 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 22 Apr 92*

[Text] The Sichuan Provincial Science and Technology Work Conference was solemnly inaugurated in Chengdu's Wangdong Hotel today.

Provincial party committee Secretary Yang Rudai delivered a speech in which he called on broad masses of people, as well as scientific and technological workers across the province, to further emancipate minds, grasp the current excellent opportunities, explore, forge ahead, accelerate the pace of reform and opening up, closely adhere to economic construction as the center, conscientiously implement the strategic development principle formulated jointly by the provincial party committee and government to rejuvenate Sichuan through science and technology, and place economic construction within an orbit marked by reliance on scientific and technological progress and labor quality improvement.

Secretary Yang Rudai laid particular emphasis on the following four aspects:

1. To acquire a clear understanding of the current situation, emancipate minds, grasp the current excellent opportunities, and speed up the pace of provincial reform and opening up.
2. To speed up scientific and technological progress, promote scientific and technological development, and bring into full play science and technology's role as the primary productive force.
3. To deepen scientific and technological structural reform and establish a new mechanism conducive to economic development and scientific and technological progress.
4. To strengthen leadership over scientific and technological work and firmly grasp implementation of the strategic principle of rejuvenating Sichuan through science and technology.

Yang Rudai stated in his speech: To accelerate Sichuan's economic development, we must rely on scientific and technological progress and bring into full play science and technology's role as the primary productive force.

Yang Rudai also called on party committees and governments at all levels across the province to make earnest efforts to strengthen leadership over scientific and technological work, give no more empty talks, make redoubled efforts, carry out work in a down-to-earth manner, adopt a pragmatic work style, and try in every way to ensure successful implementation of the strategic development principle of rejuvenating Sichuan through science and technology.

Yang Rudai expressed the hope that leaders at all levels will show concern for and cherish the broad masses of scientific and technological personnel, fully mobilize their enthusiasm and creativity, politically trust scientific and technological workers, provide scientific and technological personnel with preferential working and

living conditions and treatment, give unreserved support to the work of scientific and technological personnel, and respect their skills and talents.

At the conference, on behalf of the State Science and Technology Commission, Zhou Ping, vice minister of the State Science and Technology Commission, extended warm congratulations to the convocation of the Sichuan Provincial Science and Technology Work Conference, at which he also delivered a speech.

Two congratulatory letters sent respectively by Song Jian, minister of State Science and Technology Commission, and the State Council's Science and Technology Office were read out.

Song Baorui, provincial party committee deputy secretary, presided over the conference.

Zhao Long, Liao Bokang, Wang Ao, Zhong Zhinong, Han Bangyan, Wang Shuyun, Chen Xijiang, Li Li Kenong, Han Junfu, He Xiaoping, and others attended the conference.

Persons in charge of various city, prefectural, and autonomous prefectural party committees and governments; and persons in charge of various departments concerned; as well as representatives of various scientific research institutions and higher learning institutions also attended today's meeting.

Tibet's Congress Standing Committee Meeting Ends*OW2804023092 Lhasa Tibet Television Network in Mandarin 1230 GMT 27 Apr 92*

[From the "Tibet News" program]

[Text] The three-day 19th Meeting of the Standing Committee of the Fifth Regional People's Congress ended in Lhasa on 27 April. The meeting, which was chaired by Namgyai, vice chairman of the Standing Committee of the autonomous regional People's Congress, examined and approved the work report of the Standing Committee of the autonomous regional People's Congress.

The meeting has completed all items on its agenda and will submit the following to the Fifth Session of the Fifth Tibet Autonomous Regional People's Congress for examination and approval: Draft agenda, draft daily agenda, draft name-list of the presidium and secretary general, draft name-list of the executive chairmen of subcommittees of the presidium, draft name-list of deputy secretaries, draft name-list of observers to the Fifth Session of the Fifth Tibet Autonomous Regional People's Congress; draft decision of the Fifth Session of the Fifth Tibet Autonomous Regional People's Congress on the deadline for submission of resolutions; draft decision of the Fifth Session of the Fifth Tibet Autonomous Regional People's Congress on the size and election of deputies to the Sixth Tibet Autonomous Regional

People's Congress. The afternoon closing session, presided over by Pagbalha Geleg Namgyai, vice chairman of the Standing Committee of the autonomous regional People's Congress, examined and approved the dismissal and appointment of personnel, and other business upon which votes have to be taken.

Sengqen Lozong Gyaincain, Pudoje, and Wang Guangxi, respectively vice chairmen of the Standing Committee of the autonomous regional People's Congress, attended the meeting. Attending the meeting as observers were Gong Daxi, autonomous regional vice chairman; Yang Youcai, chief procurator of the autonomous regional People's Procuratorate; responsible comrades of the autonomous regional Higher People's Court; vice secretary general of the Standing Committee; and responsible comrades of the liaison offices of the People's Congresses in Lhasa City and other localities.

North Region

Beijing Deputies Urge Streamlining Administration

HK2604024592 Beijing ZHONGGUO XINWEN SHE
in Chinese 0345 GMT 23 Apr 92

[By reporter Li Chun (2621 2504)]

[Text] Beijing, 23 Apr (ZHONGGUO XINWEN SHE)—Deputies at the Fifth Session of the Ninth Beijing Municipal People's Congress convened here are making an increasingly insistent call for "dismantling the temple and sending away the gods." In explicit terms the call means the demand for streamlining the municipal government's entire hierarchy, delegation of power, change of official duties, and raising work efficiency.

A general opinion among the municipal deputies is that there is a very serious case of bloated bureaucracy, overlapping, and overstaffing. If there is a "temple," a "god" must be ordained, and each one of these "gods" enjoys "full-fledged benefits." There are too many people on the government payroll, causing great wastage and red tape, which waste valuable time.

Some congress deputies said that the municipal government itself sticks its nose into too many things and is overcentralized in administration; there is too much centralization and too little democracy, hindering economic development to a certain extent. A specific proposal from some deputies requires a look into existing work procedures and systems and immediate cutbacks.

Municipal deputies strongly urge: Learn from the southern coast development zones' experiences and implement as soon as possible reform in government organs.

Mayor Chen Xitong stated that Beijing will step by step pursue the "little government and many services," starting in districts and counties. He admitted that there is formalism and bureaucratism in current government work, shown in "too many meetings, documents, investigations and evaluations, ribbon-cuttings, and social functions," which are divorced from reality.

Suburban Shunyi County has taken the lead in the pursuit of "little government and many services." County Governor Wu Guiyun said that foreign-funded enterprises developed significantly faster following reform.

There are reports that Beijing Municipality has frozen its staff size, stopped establishing organs and hiring people, and has started studying ways to perform the surgery of "streamlining and cutbacks."

Inner Mongolia Vice Chairman Dismissed

SK2804093192 Hohhot NEIMENGGU RIBAO
in Chinese 1 Mar 92 p 1

[Text] The Standing Committee of the seventh regional People's Congress approved a namelist of personnel to be removed from their positions at the 25th Standing Committee meeting of the seventh autonomous regional People's Congress on 29 February.

The Standing Committee decided to remove Chen Kuiyuan from the post of vice chairman of the regional people's government.

Travel Application Procedures Remain Unchanged

OW2504183192 Beijing XINHUA Domestic Service in Chinese 1307 GMT 24 Apr 92

[Text] Beijing, 24 April (XINHUA)—A responsible person in charge of the Exit-Entry Administration Bureau under the Ministry of Public Security spoke to XINHUA today on the procedures for Taiwan residents who apply for their travel documents in Hong Kong and Macao to visit the Chinese mainland.

The same responsible person said that we welcome Taiwan residents to travel, visit relatives, carry out business, invest, and engage in various exchange activities on the mainland. When handling Taiwan residents' applications for travel documents to the mainland, we have always followed a principle that facilitates and helps control the entry and exit of Taiwan residents. Taiwan residents are only required to produce documents for examination of their residence in Taiwan and to show documents corresponding to their travel purpose. We have enforced this practice in the past and do not intend to change it in the future. Our unit in Hong Kong that handles the travel applications did in the past ask a very small number of people who could not prove in a timely fashion their residence in Taiwan to produce copies of their household registrations for examination; however, of the several million Taiwan applicants who applied for travel documents to the mainland during the past four years, only a few were required to do so.

The same responsible person reiterated that the application procedures for Taiwan residents who apply for their travel documents to the mainland will be the same as before; there is no change to the usual practice and there has been no introduction of new requirements. He expressed his regret over the misunderstanding caused by the use of words regarding the procedure information released by the China Travel Service (Hong Kong) on 10 April.

The responsible person of the Exit-Entry Administration Bureau under the Ministry of Public Security said that the promulgation of the "Regulations for Administering the Visit of Chinese Citizens to the Taiwan Area" is designed to promote and facilitate the exchange and visits of people on both sides of the Taiwan Strait and maintain the normal and healthy development of relations between the two sides. We will constantly improve and perfect the concrete implementation methods by following the principle of facilitating and controlling the entry and exit of Taiwan residents.

State Council Official Explains Rules on Visits

OW2504094492 Beijing XINHUA in English 0920 GMT 25 Apr 92

[Text] Beijing, April 25 (XINHUA)—The "Regulations for Chinese Citizens to Visit Taiwan Area" is designed to promote the exchange of visits between the two sides of the Taiwan Strait, a spokesman for the Taiwan Affairs Office of the State Council said here today.

Li Qinzhou, the spokesman, made the remark as the newly-approved regulations will take effect on May 1.

Li said the document was drafted to guarantee the legal rights and interests of the people on both sides of the Taiwan Strait, which has witnessed a growing exchange of visits between the two sides in recent years.

The regulations fully reflect the principle of one China and take into account the current situation of the relations between Taiwan and the Chinese mainland.

"We have noticed the recent reaction evoked by some of the regulations in all walks of life in Taiwan. The Exit-Entry Administration Bureau of the Ministry of Public Security official has made explanations on that," the spokesman said.

He said, "It should be pointed out that there exist no changes of the regulations, which prove effective and convenient for Taiwanese residents."

Li said the "irresponsible speculation" by some individuals in Taiwan, which caused misunderstanding in Taiwan, is "inappropriate."

The regulations, which were signed by Premier Li Peng on January 6, consist of 4¹ articles and seven chapters, including the mainland residents going to Taiwan, Taiwan residents coming to the mainland, entry and exit inspections, certificates management, and punishment.

According to the regulations, Taiwan residents who want to come to the mainland are required to show their Taiwanese identification cards with their addresses in Taiwan and documents corresponding to their trip.

An official in charge of the exit-entry administration bureau said Friday that a very small number of Taiwanese applicants who could not prove their Taiwanese residence were required to produce copies of their household registration to the organization responsible for the exam of their applications in Hong Kong.

The official said only very few of the several million Taiwanese applicants in the past four years have been required to do so.

Commentary Examines Science-Technology Cooperation

OW2604175892 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 25 Apr 92

["Commentary" by station editor Ye Xinwen: "Cross-Strait Scientific and Technological Cooperation Takes a New Step Forward"; from the "News and Current Events" program]

[Text] Taiwan's Economic Affairs Ministry reportedly has decided to create a task force to quicken the introduction of scientific and technological resources from Mainland China. The task force will study issues arising from the introduction of Mainland China's technology,

such as trademarks, patents, visits to Taiwan by technical personnel, and investment protection agreements. It will also draft relevant laws and seek ways to achieve early breakthroughs in cross-strait scientific and technological exchanges.

Taiwan authorities also have recently relaxed some restrictions in this respect. On 8 April, they promulgated an outline of procedures for use at the present stage in recruiting mainland-based scientific and technological personnel for research and development projects in Taiwan. According to the procedures, the branches of learning in which prospective recruits specialize will extend from natural sciences, engineering, medical science, and agricultural science to include the humanities and social sciences. The acceptable rating of prospective recruits will be lowered from outstanding to excellent. The number of recruited personnel will not exceed 15 personnel each year. Those who have scored remarkable achievements will have their job offers renewed for long-term employment.

Furthermore, Taiwan's National Science Council will finance the island's scholars who go to Mainland China on six-month assignments to conduct scientific and technological research projects or to collect information. This limited relaxation of restrictions will give a substantial boost to cross-strait scientific and technological contact and cooperation.

This year has witnessed a new upsurge of investment in Mainland China by Taiwan's high-technology industries and manufacturers—principally large enterprises engaged in information, electronics, and aviation and space technology. The sites of investment have spread from coastal to inland areas. Relevant departments in Mainland China have announced their plans to establish several industrial parks geared to new and high technology. Almost all of those parks will be located inland. Hence, the pattern and sites of investment by Taiwan businessmen will undergo changes as an upsurge of investment in high technology by large enterprises sweeps through the hinterland.

Taiwan's scholars and businessmen have a great admiration for Mainland China's high technology. Cai Zhenyang [Tsai Chen-yang], a professor at Taiwan's National Zhengzhi [Chengchi] University, said: The mainland is quite developed scientifically and technologically, with world-class achievements in the application of high-temperature superconductors, man-made satellites, and nuclear energy research. It faces boundless prospects for development if its technology- and information-intensive industries are converted to civilian production.

Relevant departments in Taiwan have sent people to the mainland on many occasions to explore the possibility of exchanging students and researchers across the strait. Taiwan's National Science Council will set up a database on Mainland China's professionally trained people and will actively train specialists conversant with various aspects of Mainland China.

The mainland currently has an abundant supply of scientific and technological resources. Aside from their considerations of labor costs, Taiwan businessmen are primarily attracted by Mainland China's market potential when they decide to invest in high-technology industry on the mainland. After his February visit to the mainland, President Liu Taiying [Liu Tai-ying] of Taiwan's Economics Research Institute called for forging cross-strait cooperation in high technology. Mr. Wu Dayou [Wu Ta-yu], president of Taiwan's Academia Sinica, reportedly plans to head a delegation to attend three academic seminars on the mainland in May and June. Local media have said that President Wu Dayou's visit will blaze a solid trail for cross-strait scientific and technological cooperation.

Mainland Official Addresses Reception in New York

*OW2604154292 Beijing Central People's Radio
Network in Mandarin 1700 GMT 24 Apr 92*

[From the "International News and Current Events" program]

[Text] Vice President Liang Taiping of the All-China Association of Taiwan Compatriots [ACATC] said at a reception given by the Chinese General Consulate in New York for an ACATC delegation on the evening of 23 April that gratifying progress has been made in over four years of contacts and exchanges along a tortuous road between the two sides of the Taiwan Strait.

Liang Taiping said: Last year alone, we saw nearly 1 million Taiwan compatriots visiting the mainland and 6,000 mainland compatriots making trips to Taiwan. Taiwan compatriots have invested in a total of 5,000 projects in the mainland over the past four years.

Liang Taiping sincerely thanked Taiwan compatriots residing in the United States for their concern for Mainland China's development and for fellow Taiwan compatriots who live there. He called on Taiwan compatriots residing in the United States to return to mainland for sightseeing, visiting relatives and friends, investing, or setting up factories.

He said: As the home for Taiwan compatriots, the ACATC will do all it can to provide various services for Taiwan compatriots.

New Screening System To Prevent Pirated Exports*OW2804094992 Taipei CNA in English 0813 GMT
28 Apr 92*

[Text] Taipei, April 28 (CNA)—The Republic of China has decided to implement soon a new screening system to prevent pirated computer software and compact discs from being exported to the United States, Vice Economic Affairs Minister P. K. Chiang announced Monday.

The decision was reached during a meeting of senior officials from the Board of Foreign Trade, the National Bureau of Standards and the government-funded Institute for Information Industry, Chiang said.

The meeting, presided over by Economic Affairs Minister Vincent Siew [Hsiao Wan-chang], was part of the government's last-ditch efforts to persuade the United States not to place Taiwan on its "Priority Watch List" under the "Special 301" provision of the U.S. 1988 Trade Act.

The U.S. Trade Representative has threatened to list Taiwan on its "Priority Watch List" of countries with unfair trade practices after Chinese and American delegates failed to reach agreements on intellectual property rights protection earlier this month. Countries on the list could face U.S. trade sanctions.

Chiang said the implementation of the new screening system is not only aimed to avoid U.S. trade retaliation but also to encourage Taiwan entrepreneurs to invest in research and development.

Chiang offered assurances that the new system will not complicate export process. He urged local computer companies to abide by government rules for their own long-term benefits. The new system will be announced in the near future.

The ministry has also asked judicial authorities to impose heavier penalties on commercial pirates and to intensify crackdowns on counterfeiting, Chiang reported.

Ministry Supports McDonnell Douglas Joint Venture*OW2804083392 Taipei CNA in English 0750 GMT
28 Apr 92*

[Text] Taipei, April 28 (CNA)—The Ministry of Economic Affairs supports a proposed joint venture between Taiwan Aerospace Corp. (TAC) and McDonnell Douglas Corp. of the United States, Economic Affairs Minister Vincent Siew [Hsiao Wan-chang] announced Monday.

"The ministry and all other administrative agencies hope the cooperation project will become a reality because it will be conducive to the upgrading of local industries," Siew explained.

Taiwan Aerospace, in which the government holds a 29 percent stake, signed a memorandum with McDonnell

Douglas last October expressing their intention to form a joint venture to produce a new generation of commercial aircraft. According to the memorandum, Taiwan Aerospace will invest \$2 billion for a 40 percent stake in the new venture.

Siew said a feasibility study by a team of aerospace and financial experts found that the proposed venture will be a "good opportunity with high risks."

"Although the project may entail risks, it will significantly help us cultivate high-technology personnel, upgrade our aerospace industry and boost overall economic development," the minister stressed.

Siew will testify before the legislature for the Taiwan Aerospace-McDonnell Douglas deal Wednesday, seeking lawmakers' support for the project.

Some legislators from both the ruling and opposition parties have openly opposed the deal on grounds that the investment might "go down the drain" in the long run.

Siew said he earnestly hopes all lawmakers will support appropriate government involvement so that the project will become a reality.

"Once we decide to invest in the new venture," Siew said, "we'll negotiate with McDonnell Douglas for better investment terms."

According to the October memorandum, Taiwan Aerospace and McDonnell Douglas will sign a definitive cooperation agreement after both Taipei and Washington authorities have approved the project.

Even if the legislature opposes the deal, Siew said, the Economics Ministry will still encourage private enterprises to join the ambitious investment project.

The ministry Monday sent to the Legislative Yuan a nine-volume feasibility study report prepared by an assessment team organized by the state-run China Steel Corp. The report includes an analysis of the market potential of the wide-body MD12 aircraft that the new venture will manufacture and McDonnell Douglas' business prospects. It, however, does not mention the new plane's production costs and the current financial status of the St. Louis-based company since such information is seen as confidential.

Representative on Readiness To Help Other Nations*OW2404174592 Taipei CNA in English 1428 GMT
24 Apr 92*

[Text] Philadelphia, April 23 (CNA)—The people of the Republic of China [ROC] on Taiwan have recognized their opportunity and moral responsibility to extend a helping hand to others, Ding Moushih, ROC representative to the United States, said here Thursday.

Ding told some 70 American business executives that the ROC is prepared to cooperate with the United States and all democratic nations to endeavor for the common good.

The ROC representative was speaking on the prospects of the ROC and its relationship with the United States at a [words indistinct] foreign policy research institute.

During the 35-minute speech delivered at Union League Club, Ding first reviewed the sweeping changes taking place on Taiwan, predicting that "in the years immediately ahead, Taiwan will serve as a model and as a participant in the evolving democratic structure of Asia and the Pacific."

The results of the National Assembly elections in last December indicated strong popular support for the ruling Kuomintang's policies of economic prosperity, social stability, reforms, and a gradual approach to reunification of China under democratic principles, he pointed out.

Taiwan's economy has rebounded from the slump it experienced during the global recession of 1989 and 1990, Ding said.

"By the end of this year, Taiwan will cross three 'critical economic thresholds': Our GNP will surge past \$200 billion, ranking us 20th among all nations; our per capita GNP will hit \$10,000, the 25th highest in the world; and our foreign trade will surpass \$150 billion, making us the 14th largest global trader," he quoted Premier Hao Po-tsun as saying recently.

On bilateral trade, Ding said that while Taiwan is still the sixth largest trading partner of the United States, with two-way trade totaling over \$36 billion last year, its trade surplus with the United States has fallen steadily by 10 percent each year, to approximately \$8.2 billion in 1991.

Under Taiwan's Six-Year Development Plan, U.S. companies already have won a third of the contracts last year, worth about \$1 billion, he noted, adding that "we hope this trend may continue."

Expressing gratitude for the U.S. Government's open support for Taiwan's admission to the Asian Pacific Economic Cooperation Forum and to the General Agreement on Tariffs and Trade, Ding said "the range of our common interests is extensive and growing, both regionally and globally."

On the China issue, Ding told his audience that the ROC government "looks forward to the day when all of China can be reunified peacefully under democratic principles."

In a 10-minute question-and-answer session [words indistinct] Ding made it clear that there is only a small minority of people in Taiwan who favor "Taiwan independence."

Numbers tell for themselves when the opposition Democratic Progressive Party [DPP] won 35 percent of the popular vote in 1989 without making Taiwan independence a campaign issue, but could manage to win only 23 percent of the vote last December after the clause on "Taiwan independence" was included in the DPP platform, he pointed out.

The Foreign Policy Research Institute is an independent, nonprofit organization devoted to advanced research and public education on international affairs.

Ding and his wife arrived here Thursday morning from Washington, D.C., by train for his first visit to Philadelphia in his current capacity.

Canada To Strengthen Economic Cooperation

OW2804101492 Taipei CNA in English 0758 GMT
28 Apr 92

[Text] Taipei, April 28 (CNA) — The sixth joint meeting of Taiwan-Canadian business associations opened in Taipei Monday for two days.

Canadian Vice Foreign Minister Donald Campbed attended the opening session at the Taipei International Convention Center as an observer.

Campbed, who arrived in Taipei Sunday for a three-day visit, is the highest-ranking Canadian official to visit Taiwan since the two countries suspended diplomatic relations more than 20 years ago.

Campbed told the local press after attending the ceremony that Canada hopes to strengthen economic cooperation with Taiwan, particularly in aviation, telecommunications and pollution control industries.

The Canadian delegation to the meeting is headed by Jean McCloskey, president of Investment Canada, a Canadian investment promotion body. She and other mission members also arrived in Taipei Sunday.

Addressing the ceremony, McCloskey said Canada hopes Taiwan will soon open its doors to Canadian insurance companies to further promote trade and economic relations between the two countries.

"I hope Canadian insurers will be allowed to open branches in Taiwan in the near future just like their American counterparts are doing here now," McCloskey said.

She pointed out that Canadian enterprises are also eager to win contracts under Taiwan's current Six-Year National Development Plan. McCloskey stressed that Canadian companies are highly competitive in telecommunications, transportation, environmental protection and energy resources fields.

McCloskey suggested that Taiwan send a mission of bureaucrats and business executives to inspect the

investment climate in Canada. "My country offers tax breaks and lucrative financial incentives for foreign investors," she noted.

Speaking on the same occasion, Communications and Transportation Minister Eugene Chien said Canadian companies are welcome to bid for construction projects included in the Six-Year Development Plan here. He suggested that Canadian firms use Taiwan as a springboard to tap other Asian markets.

The annual meeting is jointly organized by the Chinese National Association of Industry and Commerce, and the Canadian General Chamber of Commerce.

Despite its private nature, both Taipei and Ottawa authorities have attached great importance to the annual event which is held alternately in Taiwan and Canada. The meeting provides a forum for businessmen and trade officials from both countries to discuss ways for trade promotion in the absence of diplomatic ties.

Editorial on 'Improvement' in Ties With Russia

*OW2504172092 Taipei CNA in English 1452 GMT
25 Apr 92*

[Editorial from 25 April edition of the EXPRESS NEWS, an evening daily newspaper published by CNA: "Our Ties With Russia"]

[Text] Taipei, April 25 (CNA)—A number of recent developments seem to indicate substantive improvement in our relations with Russia. Senior officials of both countries have exchanged visits, with our Vice Foreign Minister John Chang [Chang Hsiao-yen] and Mayor of Taipei Huang Ta-chow visiting Russia earlier this month, and two Russian ministers coming to Taipei this week to meet with our government leaders. And a Russian freighter is currently at the Keelung harbor loading the rice that we are donating to Russia.

To some of our people, the improving ties with Russia mean new economic opportunities—new market for our exports and new source of raw materials for our industries. Reports from Moscow also indicate that economics is the major reason that prompted Russia to open up contacts with us despite its political ties with Peking [Beijing]. Confronted with mounting economic difficulties, Russia is in desperate need of foreign assistance, and there aren't many nations in the world today that have more than \$70 billion in foreign exchange reserves, as we do.

But economics must not be the only consideration in our relations with Russia. No student of contemporary history could fail to recognize the significant role of Russia, whether czarist or Soviet, in the political developments in Asia in the past century, particularly in China. Even though the current government in Moscow is besieged with serious economic difficulties, Russia, by the sheer size of its territory and population and its geopolitical position, will in the long run continue to be one of the

major regional powers in Asia. Its political influence in the region should never be underestimated.

It is, of course, still too early to tell whether the new Russia will play a positive role for the peace and security of Asia, or will resume the expansionist policies of czarist and Soviet regimes. Chances are greater, however, that a democratic Russia will be less a threat to its neighbors. Furthermore, as Russia today stands as the best example of a nation that has awoken from the nightmare of communism, whether it can successfully transform itself to a democratic society will have a significant impact on the remaining communist regimes in Asia, thus on the future of the region.

From this point of view, we, the Republic of China, have a great deal at stake in the political development of Russia. This is what should dictate our relations with the new Russia in the long-run, not the short-term economic benefits.

Li Teng-hui Receives Bolivian Vice President

*OW2704091292 Taipei CNA in English 0831 GMT
27 Apr 92*

[Text] Taipei, April 27 (CNA)—President Li Teng-hui Monday received at the Presidential Office Luis Ossio Sanjines, vice president of the Republic of Bolivia, and Antonio E. Galindo Anze, president of the Commission of Science and Technology of the Bolivian Senate. During the meeting, President Li exchanged views with the Bolivian leaders on matters of mutual concern.

President Li said the Republic of China Government is willing to help Bolivia develop its economy and promote cooperation between the two countries. He said Ossio's visit will certainly improve mutual relations. There is no diplomatic relation between Taiwan and Bolivia.

Ossio told President Li that, "We hope to strengthen economic, trade, agricultural, and technological exchanges with the Republic of China, and also hope to strengthen friendly relations between our two peoples." Vice President Ossio and his entourage arrived in Taipei April 24 for a six-day visit.

Vice President Li Yuan-zu honored his Bolivian counterpart and Mrs. Ossio at a banquet Saturday evening. Li said it was encouraging that substantive relations between the two countries have continued to improve during the past two years despite an absence of diplomatic ties. Ossio told Li that there is ample room for the government and people of the two countries to promote cooperation in various fields.

Official on Progress of GATT Application

*OW2704121892 Taipei China Broadcasting
Corporation News Network in Mandarin 2300 GMT
26 Apr 92*

[From the "Taiwan News Hookup" program]

[Text] A high-ranking official of the Ministry of Economic Affairs disclosed for the first time yesterday [26 April] that (?Dunkel), chairman of GATT's Board of Directors, is expected to openly support our country's GATT membership application in a joint statement (?between him and our country) before the GATT Board of Directors meeting in June. However, this high-ranking official also said that currently the United States and EC nations are discussing with the Chinese communists the contents of a joint statement which will enable the Chinese communists to make concessions without losing face and which will help the Republic of China join GATT.

The official emphasized: It will be the first time for GATT to support a country's membership application in the form of a joint statement. It also shows that our country [words indistinct] under the pressure of the Chinese communists.

He said: If the GATT sets up a working group to facilitate our membership but admits the Chinese communists first, our country may hold consultations with GATT members prior to our admission into GATT. However, in accordance with the special provisions contained in the GATT Charter, we will not hold such talks with the Chinese communists in order to prevent the Chinese communists from using our country's most favored nation status to create variables in the economic exchanges and trade between the two sides of the Taiwan Strait.

He said: The GATT Board of Directors will meet again in June. We hope that an agreement will be reached on the contents of the joint statement before the June

meeting, and that our application for the GATT membership will be included in the agenda of the meeting.

Amendments to Three Important Laws Discussed

*OW2804091992 Taipei CNA in English 0736 GMT
28 Apr 92*

[Text] Taipei, April 28 (CNA)—President Li Teng-hui called a meeting of ranking government and ruling party officials Monday to discuss the revision of three important laws.

The three are the National Security Law, the Civic Organizations Law, and the Assembly and March Law.

Participants, including Vice President Li Yuan-zu and Kuomintang [KMT] Secretary General James Soong [Sung Chu-yu], concluded that advocacy of division of national territory and of communism must be strictly banned in order to ensure national security.

Other participants included Premier Hao Po-tsun, Judicial Yuan President Lin Yang-kang, Vice Premier Shih Chi-ying, Interior Minister Wu Po-hsiung, Legislative Yuan Speaker Liu Sung-fan, and KMT caucus leader at the legislature, Wang Chin-ping.

The participants said the right to assembly and march is different from individual freedom guaranteed by the Constitution.

Therefore, they added, advocacy of dividing the national territory and of communism should be banned during assembly and march.

The consensus reached during Monday's meeting will be upheld when the Legislative Yuan discusses the amendments to the three laws, an official said.

Hong Kong

Editorial Sees No Benefit in U.S. Policy Act

HK2804064792 Hong Kong WEN WEI PO in Chinese
28 Apr 92 p 2

[Editorial: "U.S. 'Hong Kong Policy Act' Does Not Benefit Hong Kong"]

[Text] A "U.S.-Hong Kong Policy Act" has been presented at the U.S. Senate, while its sponsor, Mitch McConnell, came all the way to Hong Kong in an attempt to sell this ill-intentioned resolution. Instead, he attracted the criticism of some representatives, social personalities, and the mass media.

Among the Hong Kong people, however, there were a few who applauded this U.S. resolution.

Does this resolution really spell any benefits to Hong Kong? There can only be one way to measure this: Is it in line with the Sino-British Joint Statement? Is it beneficial to Hong Kong's prosperity and stability? If it will only produce negative results, then this resolution is detrimental to Hong Kong.

In selling this resolution in Hong Kong, McConnell claimed that it supports the Sino-British Joint Statement, contributes to stronger U.S.-Hong Kong links, does not oppose China, and does not involve U.S. political interests.

These assertions are not in line with U.S. motives and objectives; rather, they conceal a political intent which they dare not publicize. It will be remembered that the U.S. Government has long declared its open support of the Sino-British Joint Statement. This in itself was already quite sufficient. Why then does it want to use U.S. domestic legislation to intervene, monitor, and become involved in Hong Kong affairs; attempt to serve as judge of the Sino-British Joint Statement; and issue statements here and there as well as give orders regarding the special administrative region's [SAR] government, which China and Britain already agreed on? Hong Kong is not a U.S. state, yet a report by U.S. personnel based in Hong Kong and by the presidential think tank, the "Heritage Foundation," stated that "the United States will replace Britain as the principal Western country in Hong Kong" after 1997. This precisely illustrates an intent to intervene in Hong Kong affairs through domestic legislation. The resolution provides that the U.S. State Department should report each year to Congress the conditions regarding the Sino-British Joint Statement's implementation and on human rights to enable the United States to "respond" each year.

U.S. politicians will come up with all kinds of gimmicks for the sake of political interests and to win votes. At a time when the U.S. economy is in recession, its commercial competitiveness in decline, and its trade deficits on the rise, the United States resorted to protectionism and "reviewed" other countries and regions to benefit itself

at the expense of others and to serve U.S. commercial interests. Once this so-called domestic legislation is in force, U.S. politicians will become even more emboldened and loquacious and will deal with Hong Kong as if it were a subordinate. Before 1997, the implementation of the Sino-British Joint Statement and the Basic Law is a matter between China and Britain and has no place for the United States; after 1997, Hong Kong affairs will become China's internal affairs, and any U.S. review of Hong Kong lacks international legal basis. Besides, U.S. Senate documents have publicly declared that the United States will not assume any obligations nor make a stand on any bilateral agreements to which it is not a signatory.

An annual review means that Hong Kong will be dragged into a political whirlpool every year and Hong Kong investors given a yearly scare. Who would want to make long-term investments? At present, Hong Kong's economic activities are mutually dependent on those of the Chinese mainland. Any attempt to abolish preferential treatment to China and to "review" those accorded to Hong Kong will constitute an economic blow to Hong Kong and hamper its prosperity and stability. While other countries and regions are opposed to the so-called U.S. 301 and super 301 resolutions, why would Hong Kong be so stupid as to put its own neck on the block and support a yearly U.S. "review" of Hong Kong through domestic legislation?

Americans always apply double standards in everything they do and interpret everything according to their own interests. All of the Sino-British Joint Statement's features will be interpreted differently by U.S. politicians. For instance, a U.S. representative who arrived in Hong Kong at the same time as McConnell declared that "Hong Kong should have 50 percent directly elected legislative seats by 1995." By interpreting the Sino-British Joint Statement according to U.S. interests, the United States could at any time restrict the importation of Hong Kong goods to the United States or raise tariffs on them. Quite honestly, if McConnell has good intentions and merely seeks to guarantee Hong Kong's free trade benefits as well as assure Hong Kong-U.S. economic exchanges, then he could very well propose the signing of a bilateral trade agreement between the U.S. Government and Hong Kong (the Joint Statement provides Hong Kong such a right) to ensure that Hong Kong's existing international trade channels will remain unchanged. But he chose a different path and, instead, came up with the McConnell resolution with its restrictive clauses. One cannot but help detect the hypocrisy involved here.

The Hong Kong people are well aware of the Americans' hypocrisy. While the Americans profess to be concerned about human rights in Hong Kong, they apply double standards in dealing with other matters. The United States can use force to repatriate illegal immigrants from Haiti and Mexico back to their countries, but it lords over Hong Kong by prohibiting it from forcibly repatriating Vietnamese boat people and from abolishing the

"first asylum port" status. More ridiculously, U.S. Vice President Dan Quayle even claimed that the Vietnamese boat people are "political refugees." If the Hong Kong people were to accept this resolution, then U.S. politicians would be able to pursue their own interests and standards in declaring today that Hong Kong is violating human rights by deporting illegal immigrants, then asserting tomorrow that Hong Kong is violating the Joint Statement because it fails to set up a U.S.-style political system. It can claim that Hong Kong uses prison labor to manufacture goods and accuse Hong Kong of racism because U.S. business representatives are not elected to the Legislative Council. It can charge Hong Kong of violating human rights because it does not legalize homosexuality, and call the lack of private ownership of guns in Hong Kong, unlike in the United States, a usurpation of personal freedom here... If this should be the case, how could there be "no change for 50 years" and how can Hong Kong be governed by the Hong Kong people's own SAR government? This is obviously contrary to the Sino-British Joint Statement. If Hong Kong were to act according to U.S. whims, it would have to worry about the preferential treatment issue every year and deal with the caprice of U.S.-supported Hong Kong politicians. Once the policy continuity and political stability are gone, will investors (including U.S. businessmen) be interested for increasing investments in Hong Kong? This is why McConnell was criticized while in Hong Kong.

Reportage Views Appointment of New Governor

Hong Kong Affairs Adviser Comments

HK2704034492 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1500 GMT 25 Apr 92

[By staff reporter Hsu He (2485 0735)]

[Text] Hong Kong, 25 Apr (ZHONGGUO TONGXUN SHE)—Wu Wai-yung, [6762 4850 1661] a Hong Kong affairs adviser appointed by China, said that the new Hong Kong governor must have foresight and properly prepare for the smooth establishment of the special administrative region [SAR]. For the time being, positive action should be taken to train personnel to administer Hong Kong in the future, and a positive attitude should be adopted toward Hong Kong's political and economic development.

Wu Wai-yung said that the people in Hong Kong do not know the new governor well, and, to a certain extent, this is worrisome. He hoped that the new governor will never consider himself the last caretaker governor; instead, he hoped that the new governor will be responsible and have foresight, who will accept reality, shoulder the responsibility for Hong Kong's transitional period, and enable Hong Kong to smoothly establish the SAR in the future.

For example, Mr Wu said, the Hong Kong Government is now undergoing the process of localizing the civil

service. In this process, it is necessary to train able and competent personnel, and standards should be formulated for the promotion of civil servants with consideration being given to the question of their ability to shoulder the responsibilities of administering Hong Kong.

Wu Wai-yung said: An ideal Hong Kong governor in the late transitional period should pave the way for the gradual evolution of Hong Kong into a SAR, and this requires the adoption of a series of corresponding political, social, and economic measures. In the aspect of developing the political structure, measures for reinforcing civil education and popularizing knowledge about China should be adopted.

Mr Wu stressed: Hong Kong and China share economic relations as close and interdependent as lips and teeth. Hong Kong should play its role as China's window and door so that the two sides can be mutually complementary and Hong Kong can be a stable and harmonious society. He pointed out that 1997 does not represent a stopping point, and the new governor should not merely cope with the existing problems passively; instead, he should take the initiative in his work for Hong Kong's long-term development in the future.

PRC Minister Seeks 'Cooperative' Ties

HK2704040092 Hong Kong THE STANDARD
in English 27 Apr 92 p A-1

[By S.L. Law]

[Text] China seeks a "friendly and cooperative" working relationship with Governor-designate Chris Patten, Beijing's Foreign Minister for Hong Kong and Macao Affairs, Zhao Jihua, said yesterday.

Mr Zhao, who arrived in the territory yesterday, said relations with the current Governor, Lord Wilson, had been fine and China would seek to continue the relationship with Mr Patten.

"We hope that Mr Patten would also seek to continue the friendly and cooperative working relations with us," Mr Zhao said.

Governor Lord Wilson told reporters on his arrival in London yesterday that Mr Patten's appointment to the territory was "keenly awaited" by the Chinese.

Mr Zhao, invited by the Hong Kong Government, is paying his first visit to the territory.

He said China believed cooperative relations with Britain would continue under the governorship of Mr Patten.

He said his visit was expected to improve his own communications with Hong Kong Government officials.

"I believe the seven-day trip will deepen my understanding of various aspects of Hong Kong affairs. It will

also further the communications between Hong Kong and Mainland officials," he said.

Mr Zhao is scheduled to meet the Secretary for Constitutional Affairs and the Secretary for Treasury during his stay.

He will also visit the new airport site at Chek Lap Kok and the Sha Tin new town.

Editorial Stresses Lack of Knowledge

HK2604040792 Hong Kong MING PAO in English
25 Apr 92 p 1

[Editorial: "Patten Knows Little About Hong Kong or China"]

[Text] Finally, London has announced Mr Chris Patten's appointment as the next Hong Kong Governor. He is expected to arrive in the territory to take over from Lord Wilson in July. At the helm in the Government in the last five years of the transitional period will be a person who is hardly familiar with Hong Kong or Chinese affairs and has lately suffered a bitter political defeat in Britain. This can only be described as ironical, and people cannot but feel greatly disappointed at British Prime Minister John Major's total disregard of the interests of Hong Kong and public opinion in Britain.

We have no preconceptions about Mr Patten himself, nor do we think it really matters whether an official or a politician is appointed to the governorship. In our April 21 editorial, we made clear our position on the appointment to the governorship by saying: "the person to succeed him in this important office should be a well-known political figure who has a good knowledge about Hong Kong affairs and is highly respected for his ability, boldness, resolution and integrity. If suitable candidates cannot readily be found in Britain, there may be British officials in Hong Kong who are equal to the job." The person to be appointed to the governorship must above all have the support of the Hong Kong people.

Mr Patten does not know much about Hong Kong or China, nor has he shown any interest in issues about Hong Kong or China. He has displayed his particular strengths mainly in formulating the Conservative Party's platform and managing its internal affairs. In point of fact, in the view of some British analysts, it was his overemphasis on the national platform at the expense of the needs of Bath, his constituency, that lost him his seat in the Commons.

The Sino-British Joint Declaration and the Basic Law are the two documents that have crucial bearing on Hong Kong's future. It is through numerous discussions and negotiations that China, Britain and Hong Kong have arrived at and agreed upon detailed points of understanding and interpretation of the two documents. Lord Wilson and his two predecessor, Sir Edward Youde and Lord MacLehose, all played important roles at different stages in the Sino-British negotiations on the future of

Hong Kong. With their first-hand background knowledge, they knew what could be and what could not be achieved. The fact that Britain appointed three diplomats in a row to the Hong Kong governorship shows clearly that the first consideration is continuity and the maintenance of Britain's amicable relations with China. Is it conceivable that Mr Patten can become fully acquainted in the three months leading to July with the complex facts and delicate dealings between China and Britain about the question of Hong Kong in the last 10 years? Is it conceivable that a person who is used to the British way of political negotiation can easily adapt himself to the way of talking with mainland officials?

Mr Patten, who has neither first-hand experience nor first-hand knowledge, will have to rely on advice. This being the case, not only are misunderstandings likely to arise, but it is also very questionable whether he will manage to command confidence.

Report Notes Ties With Major, Hurd

HK2704014692 Hong Kong WEN WEI PO in Chinese
26 Apr 92 p 2

["Special report" from London by staff reporter Tai Pao-erh (2071 1405 0334): "A Hong Kong Governor With the Closest Relations With British Cabinet"]

[Text] London, 25 Apr (WEN WEI PO)—Chris Patten, the next Hong Kong governor, has close relations with Prime Minister John Major and Foreign Secretary Douglas Hurd. This is the new Hong Kong governor's greatest advantage.

Hong Kong's last governor will be more powerful and influential than any of his 27 predecessors. As some people have said, his relations with the UK cabinet are better than any of the incumbent cabinet members. A FINANCIAL TIMES article said: "When he speaks, the Hong Kong people will understand that the prime minister and foreign secretary support his words; when he speaks with the Chinese officials, they will immediately find that it will make little difference whether they had spoken directly with Downing Street."

Working With the Foreign Secretary for Nearly 30 Years

Relations between Chris Patten and Douglas Hurd can be traced back to the 1960's, when both worked for the Conservative Party Research Department. At that time, Hurd was a political secretary for Edward Heath. In the 1980's, Patten and Hurd again worked together in the Northern Ireland Office. At that time, Hurd was Northern Ireland secretary, and Patten was Northern Ireland Office minister. In 1986, Defense Secretary Michael Heseltine was discontented with Prime Minister Mrs. Thatcher's handling of a helicopter company and resigned. Patten and some minister-level officials with the same ambition promised Hurd that, if Mrs. Thatcher was toppled, they would help Hurd contend for the party's leadership. In November 1990, Mrs. Thatcher

was forced to resign, and John Major and Douglas Hurd contended for the party's leadership. Patten honored the promise he made four years earlier and became one of the six cabinet members to support Hurd.

By comparison, Patten's relations with Prime Minister Major are not as deep. They both entered the House of Commons in 1979, but they did not know each other well until 1984, when Patten became parliamentary secretary for Northern Ireland affairs and was then acquainted with John Major, who was a junior official—government discipline enforcer. Patten appreciated Major's ability very much, however. He once told a friend: "He is the most talented person in our generation."

He Was Appointed to an Important Post as Soon as Major Took Power

When Mrs. Thatcher quit her office in November 1990, Patten was one of two cabinet members who did not support her. After Major became prime minister, he immediately put Patten in an important cabinet position by appointing him Duchy of Lancaster chancellor; and also made him Conservative Party chairman, responsible for leading the party to meet the April 1992 general election.

The 17-month close cooperation brought about good and close personal relations between the two.

The election victory enabled Major to remain prime minister, but Patten lost his MP status and could not enter the cabinet. After the election results were made known, Major celebrated the victory in the Conservative Party headquarters and the prime minister's office. On those occasions, he never forgot to praise Patten for his meritorious service. Major said in one of his victory celebration speeches: "The first thing I would like to say is to thank Chris Patten." Major held Patten's hand, and drew Patten to his side wherever he went.

Being Britain's Top-Level Politician

In terms of relations with the prime minister and the foreign secretary, nobody else among the Conservative politicians of weight is as weighty as Patten. Foreign Secretary Hurd described Patten as one of the four or five top-level politicians in Britain.

Patten has only visited Hong Kong three times, and his knowledge of Far East affairs brings out a sharp contrast to his close relations with the British cabinet. Anyway, London's appointment of a politician as weighty as Patten to Hong Kong's governorship shows that Britain attaches greater importance to Hong Kong affairs than before.

Paper Calls For 'Law and Order Governor'

HK2504033292 Hong Kong THE STANDARD
in English 25 Apr 92 p A-1

[Text] The announcement that Mr Chris Patten will be the next Governor of Hong Kong on the day we experienced the worst carnage in the current spate of armed crime was more than ironic: it was symbolic.

It should have brought home to the man destined to hand Hong Kong back to China the stark fact that, amid the political and diplomatic tasks associated with his historic role, he has a pressing and dangerous domestic issue to deal with: law and order.

What happened in Tai Kok Tsui and Sham Shui Po yesterday was more than just another run-in between police and criminals. It was war.

Recent governors have tended to become associated with issues they showed special interest in. Lord Wilson, (formerly Sir David Wilson) was the environment Governor.

Mr Patten has no choice. He must be the Law and Order Governor.

And it is more than a domestic issue. Apart from economic instability, a breakdown in law and order was one of the great fears associated with the last years of British rule. The former looks less likely with each passing year, but the latter looks frighteningly nearer day by day, amid a reign of terror by criminals—many of them from China—armed with military-style arsenals. Hong Kong's streets are still safer than those of most big cities in the world, but Mr Patten and his administration will have to act swiftly to ensure they stay that way, boosting police strength and morale, and establishing close co-operation with authorities across the border.

Yesterday's announcement ended speculation that began early this year, with the news that Lord Wilson was on the way out.

Mr Patten's opponents at home have already attempted to brand him as a failed politician being shunted out of the way.

These allegations should be treated with the contempt they deserve.

Mr Patten must have agonised long and hard before deciding to forgo what was undoubtedly still a bright political future to take on a tough job. Those that believe the job is one for a diplomat/Sinologist will be dismayed that Mr Patten is neither. Those with more open minds will look forward to dealing with a man accustomed to the up-front world of the politician instead of the shadowy world of the civil servant. At his maiden press conference he displayed charisma and wit in marked contrast to the dourness of the incumbent.

We say he looks like an able man, and Hong Kong should get behind him and give him a go.

Patten's Political Influence Praised

HK2604045492 Hong Kong WEN WEI PO in Chinese
25 Apr 92 p 2

[Editorial: "Britain Appoints a Person of Great Weight To Be Governor of Hong Kong"]

[Text] The British Prime Minister's Office announced at 1800 yesterday the appointment of the Conservative Party Chairman Chris Patten as Hong Kong governor with a five-year term of office. The spokesman for the British Foreign Ministry has ruled out the possibility of setting up the post of vice governor of Hong Kong, indicating that the incoming Hong Kong governor will assume the full authority of administering Hong Kong through to 30 June 1997.

The Chinese ambassador to the United Kingdom has congratulated the incoming Hong Kong Governor on his new appointment and has expressed hope that China and Britain will continue to implement the Sino-British Joint Declaration, thus maintaining prosperity and stability in Hong Kong and ensuring a smooth transition.

During a news conference yesterday Patten also stressed the great importance of good relations between China and Britain. He visited Beijing twice when he was holding office with the economics sector under the UK Government, and he did take part in drafting some agreements between China and the United Kingdom. So he must not be unfamiliar with China affairs. In such a sense, the appointment of Patten as the last Hong Kong Governor indicates Britain's setting up shop by the maintenance of friendly ties with China and the implementation of the Sino-British Joint Declaration and other agreements between the two countries.

There has been no precedent of appointment of a Conservative Party chairman and a former senior member of the cabinet as Hong Kong governor in the past. All the previous Hong Kong governors were selected from among civil servants at or below the deputy-secretary level. Chris Patten is a candidate of rather great weight to be appointed Hong Kong governor. Furthermore, as Patten has been on good terms with Prime Minister John Major and Foreign Secretary Douglas Hurd, he can directly approach London, which is an advantage for high efficiency in the handling of Hong Kong affairs and for the maintenance of British effective administration over Hong Kong in the next few years toward the end of its rule.

Since the signing of the Sino-British Memorandum of Understanding on the New Airport Project and Other Issues, ministerial work meetings between China and Britain have been increased: The Chinese foreign minister and the British foreign secretary are to meet twice a year, while the director of Hong Kong and Macao Affairs Office (minister grade) of the Chinese State Council and the Hong Kong governor are to meet on an irregular basis. As far as diplomacy is concerned, it is common diplomatic practice to appoint officials of equivalent

status and let them use discretion in negotiations so as to ensure more fruitful diplomatic operation and to maintain initiative. Since Britain is attaching importance to close consultations with China during the late transitional period and to cooperation with China before and after 1997, its upgrading the requirement for the qualifications of candidates for Hong Kong Governor is no surprise.

China's and Britain's interests, as well as the Hong Kong people's well-being, all rest on the Sino-British Joint Declaration. Hong Kong people from all walks of life are looking forward to enhanced cooperation and closer consultations between China and Britain in the next five years or more, and they all hope that the joint declaration will be observed, and the political convergence problem will be properly solved in the late transitional period, so that the successful administration-oriented system will continue, Legislative Council members to be elected in 1995 will be able to transit beyond 1997 under the "through train" scheme as prescribed by the Basic Law and other provisions concerned adopted by the National People's Congress; the legal system that has long been practiced and proven effective in Hong Kong will be able to converge with the Basic Law; local civil servants will be able to continue to feel at ease serving the Special Administrative Region Government; Hong Kong's advantage embodied in its low tax rate will continue to attract foreign investors; Hong Kong's free trade system and free lifestyle will be retained and developed; Hong Kong will be able to continue to run foreign trade and maintain economic and cultural ties with other parts of the world; and the transfer of political power will proceed smoothly in Hong Kong. A good transition in all these fields will help ensure peace, stability, and prosperity in Hong Kong.

During his meeting with Chinese Foreign Minister Qian Qichen last March, British Prime Minister John Major pledged to follow up the development of Sino-British relations and the Hong Kong case in person. Yesterday John Major reassured that the new Hong Kong governor can directly call him or the foreign secretary for consultations. His remarks demonstrate that the British Conservative Party's higher leadership is attaching a high importance to Sino-British relations and to Hong Kong affairs. Now that the Asia-Pacific region is in a period of high economic growth, and China is pushing for reform and opening up and is enjoying an economic boom, it is still more necessary for Britain to make use of Hong Kong's favorable conditions to expand its economic and trade network in the Far East. What is more, as a multipolar world pattern is emerging these days, Britain, in appointing a figure of great weight to be Hong Kong governor, is not merely aiming at its interests in Hong Kong but also at its interests in the new world pattern.

Paper Views 'Expectations'

HK2604085392 Hong Kong TA KUNG PAO in Chinese
26 Apr 92 p 2

[Article by Kung Yao-wen (7895 5069 2429): "Expectations on New Hong Kong Governor Patten"]

[Text] Maintaining Hong Kong's Prosperity and Stability

The British Government announced the appointment of the next Hong Kong governor. He is Mr Chris Patten, the 48-year-old chairman of the Conservative Party. Mr Patten will arrive in Hong Kong and take office in July. As one of the leading politicians of the Conservative Party, Mr Patten's political experience, insight, and ability are appreciated by Prime Minister Major and Foreign Secretary Hurd. Public opinion holds that Mr Patten has a good communication channel with Downing Street and also has close relations with the leading government body in Britain. In the last few years of Hong Kong's transitional period before China recovers sovereignty over the territory, a governor who can directly communicate with the core of the British Government will undoubtedly be in a favorable working position.

Yesterday, China's Foreign Ministry commented on the appointment of Mr Chris Patten as Hong Kong governor, and hoped that his appointment as Hong Kong governor would be conducive to further improvement of the Sino-British Joint Declaration, to consultation and cooperation between the Chinese and British sides on the Hong Kong issue, to Hong Kong's long-lasting stability and prosperity, and to the smooth transfer of power in 1997. In general, China showed a positive attitude toward the appointment of the new governor and greeted him by extending congratulations to him.

The residents of Hong Kong are naturally concerned about policies that the new governor will adopt in the future. Nearly 6 million local people naturally have different requirements for the new governor, as their status, viewpoints, and positions are different. The common interest of the vast majority of Hong Kong people, to put it in a nutshell, is that they all hope that the British Hong Kong governments will continue to cooperate with China and will enable Hong Kong to maintain prosperity and stability over the next five years of the transitional period, thus completing the smooth transfer of sovereignty over the territory in 1997. A prosperous and stable Hong Kong is an important condition for the Hong Kong people's self-government after 1997 and for the maintenance of the capitalist system in Hong Kong for 50 years. This is not only the common desire of the 6 million residents of Hong Kong, but also has a major bearing on the common interests of China and Britain.

The Appointment of the Last Hong Kong Government Is of Great Importance

Chris Patten is an experienced and capable politician, and he is naturally aware of Britain's long-term interests in its relations with China and of the importance of Hong Kong's prosperity and stability. He will be Hong Kong's last governor as well as the territory's first governor who got his start as a politician. This makes him markedly different from his predecessors, who were officials with the Foreign Office or the Commonwealth

Affairs Office (formerly the Colonial Affairs Office). Mr Patten was involved in economic exchanges between Britain and China in the past. Some people have said that he had little knowledge about Hong Kong's affairs and thus asserted that he would be hardly competent, but this opinion is not well-balanced. When answering reporters' questions at a press conference in London, Chris Patten said that he hoped to build up confidence and trust in him among the residents of Hong Kong. He will make this his goal when taking office in Hong Kong. He also hopes to learn what he should know as quickly as he can. He will find that the vast majority of people in Hong Kong hope for prosperity and stability, a lower inflation rate, and a smooth transition.

In the last two years, there were differences between China and Britain over some measures adopted by the Hong Kong Government. For example, differences can be found on such issues as the composition of justices in the Court of Final Appeal after 1997, the number of seats returned by direct elections in the Legislative Council in 1991, and the formulation of the Bill of Rights by the British Hong Kong Government after the National People's Congress of China adopted the Basic Law for the Hong Kong Special Administrative Region. On the last issue, China maintained that the adoption of the Bill of Rights sought to pull the rug from under the feet of the Basic Law. After the adoption of the Bill of Rights, the British Hong Kong Government still intended to revise some existing laws, including the laws related to the powers of the police and the Independent Commission Against Corruption. China pointed out that such steps by the British Hong Kong Government were not in keeping with the Joint Declaration and the Basic Law, and would do harm to Hong Kong's stability and prosperity.

How to Solve Differences Between the Two Sides

In the new governor's five-year tenure, he will certainly encounter some concrete issues that should be solved by China and the British Hong Kong Government through consultations. Consensus should be reached according to the Sino-British Joint Declaration and the Basic Law. Some major affairs in the late transitional period, especially those that will affect the Special Administrative Region after 1997, cannot be simply regarded, in legal terms, as affairs that can be handled unilaterally by the British authorities. In fact, power has been vested in China by the Sino-British Joint Declaration for expressing its opinions and making representations on such affairs, and China's involvement cannot be considered as interference in Hong Kong's internal affairs. There remains a little more than five years from now to 30 June 1997, and the Basic Law has been promulgated for two years. In order to ensure the smooth transfer of power and stable transition in 1997, consideration must be given to the issue of being in conformity with the Basic Law when major affairs in various aspects are being handled in the late transitional period.

China Attaches Extremely Great Importance to Hong Kong's Prosperity and Stability

Recently, China invited Mr Chung Sze-yuen and another 43 people to be advisers for Hong Kong affairs. They are all outstanding representatives of various circles in Hong Kong. They have been working and living in Hong Kong for many years, and have good knowledge and insight as well as social experience. In order to better ensure the implementation of the "one country, two systems" policy and the Hong Kong people's self-government after 1997, China will extensively consult the Hong Kong affairs advisers from various circles. This will be conducive to the smooth transition and useful to the settlement of differences between China and Britain on some specific affairs in the future.

This spring, during Deng Xiaoping's inspection trip to south China, he uttered quite a few important remarks on quickening China's reform and opening up process. He also required Guangdong's Zhu Jiang Delta area to catch up with the "four little dragons" in Asia in the next 20 years, and proposed that "several Hong Kongs" be created on the Chinese mainland. The 14th CPC National Congress to be convened later this year will make new arrangements for speeding up China's reform and opening. China's political and economic developments have shown a very positive situation rarely seen in the past. Undoubtedly, China will continue to attach extremely great importance to Hong Kong's positive role in promoting China's opening and economic construction. From any angle, we may find that keeping the capitalist system unchanged for 50 to 100 years after 1997 in Hong Kong is a major state policy. Hong Kong's continuing economic prosperity will not only be supported by the 6 million residents of Hong Kong but will also be very beneficial to Britain. As China and Britain share the same interests in Hong Kong, the people in Hong Kong hope that the new governor, Mr. Patten, will give full play to his wisdom and fulfill his duties during the five years of tenure so that Hong Kong affairs in all aspects will be dovetailed with the Basic Law in the last few years of the transitional period. This is representative of the fundamental interests of the 6 million people in Hong Kong and is also the key point for ensuring better relations between China and Britain.

Consortium Makes Large Investment in Guangdong

HK2804044792 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
28 Apr 92 p 1

[By Kenneth Ko]

[Text] A consortium led by the chairman of watch maker Asia Commercial Holdings, Mr Eav Yin, is to spend \$2.34 billion to turn 7,000 acres of land in the Guangdong county of Dongguan into an industrial, commercial and residential complex.

The consortium's project mirrors a trend which has seen manufacturers branching out to the lucrative property

industry—and it reaffirms the fact that more Hong Kong companies are looking north for real estate investments.

Mr Eav, representing Asia Commercial Development, yesterday signed an agreement on the massive development with representatives of the General Company of Foreign Economic Development of Hau Kai.

Asia Commercial Development is a private company mostly owned by Mr Eav, with the remaining interests held by Asia Commercial Holdings director Albert Wong Kei-fat and other Hong Kong businessmen.

Analysts said it was possible Mr Eav would put his interest in the property investment into listed Asia Commercial Holdings.

The development will be located in Hau Kai's scenic Huan Guan reservoir area.

Mr Eav said the rising living standards in China had led to increased demand for recreational activities.

He expected that with a comprehensive development Hau Kai would attract more visitors from other parts of China and Hong Kong.

The proposed development will be built in phases and is expected to be completed in 12 years.

The project will have industrial zones, shopping centres, hotels and convention centres, schools, sports and cultural centres, resort housing estates, a yacht club, a golf course and a country club.

Asia Commercial Development will pay cash for the land and the right to use it for 70 years.

No details were given about the land's price or financing plans for the massive project.

However, the General Company of Foreign Economic Development of Hau Kai will receive 10 percent of the project's income.

The development will be close to the Guangzhou-Shenzhen-Zhuhai superhighway being built by Hopewell Holdings.

Hong Kong companies, large and small, have become increasingly interested in exploring property developments in southern China.

This has led to a surge in mainland property prices in recent years.

In addition to major cities such as Shenzhen, Guangzhou and Xiamen, Dongguan and Punyu counties are among the popular new areas for property pursuits by Hong Kong companies.

Shoemaker Silver Eagle Holdings and cordless telephone manufacturer S. Megga International have both declared interest in exploring property developments in Dongguan, the current base for their manufacturing facilities.

New World Development is engaged in several projects in Guangzhou; Sino Land has built up a strong land bank in Xiamen; while Tian An China and Guangdong Investments both have extensive property interests in the mainland.

International Conference To Discuss Transition
HK2404042192 Hong Kong THE STANDARD
in English 24 Apr 92 p A-5

[By S.L. Law]

[Text] Former director of Chinese State Council's Hong Kong and Macao Affairs Office, Ji Pengfei, will attend an international conference entitled "Hong Kong in Transition" in October in Hong Kong.

The conference, co-organised by the One Country Two Systems Economic Research Institute, the Centre for East-West Studies of the Baptist College and the Institute of Asia-Pacific Studies of the Chinese University, will provide exchange opportunities for mainland and Hong Kong officials.

"The major objective of the conference is to discuss solutions to Hong Kong's economic, political, social and legal problems," Dr Edgar Cheng, of the One Country Two Systems Economic Research Institute said.

Officials from China, Hong Kong and the Xinhua News Agency will be invited with foreign diplomats and academics.

"Former director of the Hong Kong and Macao Affairs Office Ji Pengfei and his deputy Li Hou have accepted our invitations," Dr Cheng said.

"Chairman of Housing Authority Sir David Akers-Jones (former Chief Secretary of the Hong Kong Government) will also attend the conference."

Scheduled on 28 October at the Hong Kong Convention and Exhibition Centre, the three day conference is expected to attract an audience of more than 200. Keynote speakers are still being lined up.

Closed door discussions will be held for selected conferees for higher level exchanges.

Large Construction Equipment Imported for Airport
OW2504170592 Beijing XINHUA in English
1435 GMT 25 Apr 92

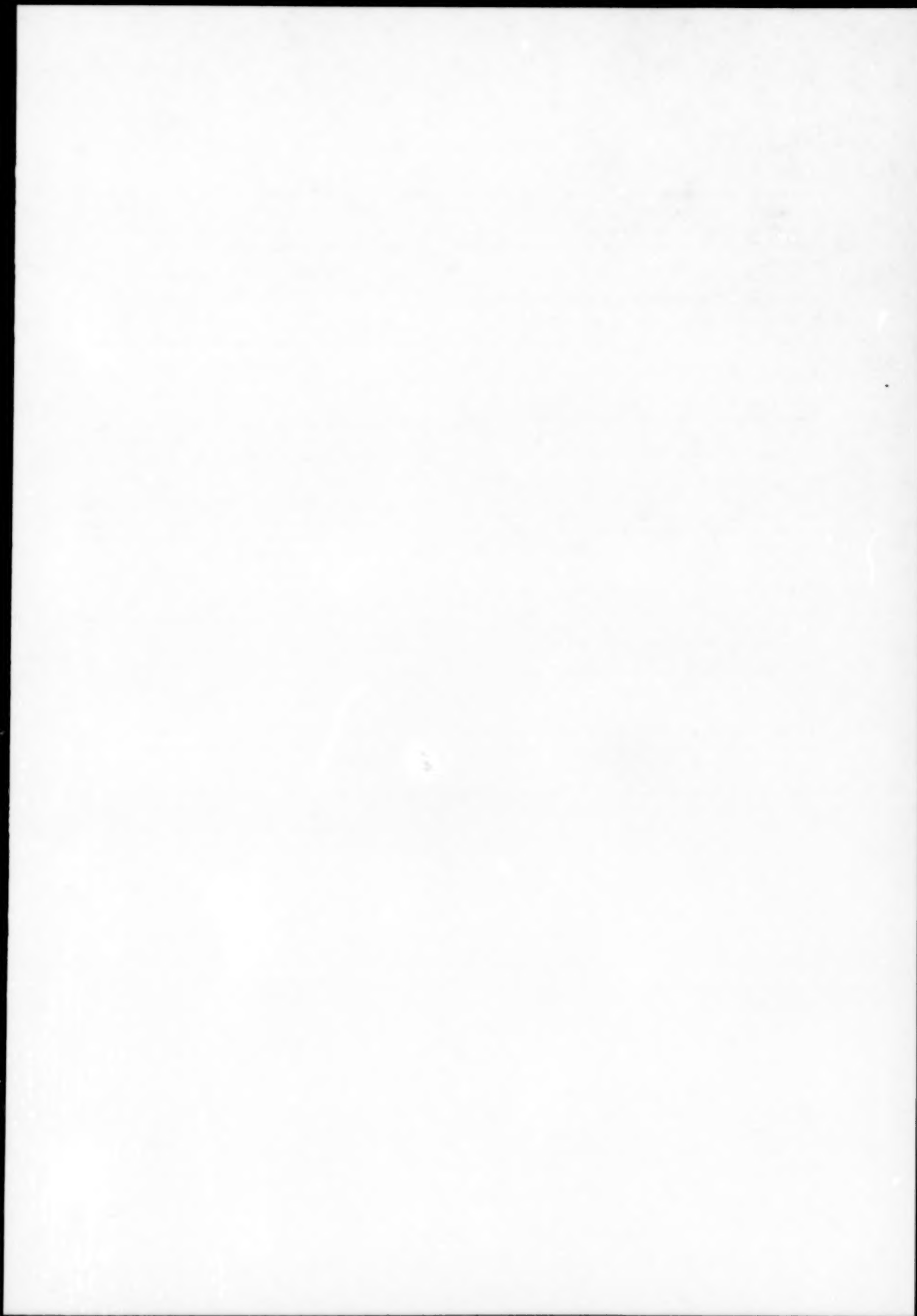
[Text] Hong Kong, April 25 (XINHUA)—Hong Kong has imported a batch of super-sized construction equipment never before seen in Hong Kong for the construction of the new airport.

The equipment comprises 16 large-capacity dump trucks, each with a payload of 143 tons, six blasthole drills which can bore holes of up to 250 mm in diameter and four hydraulic excavators, each of which can lift about 35 tons per bucket.

The new airport, covering an area of 1,248 ha on an island, will be four times the size of the current Kai Tak Airport. A total of 938 ha of land will be reclaimed for the new airport. A massive 190 million cu m of sand and rock will be moved to fill the Victoria harbor. The project will also involve the dredging of 170 million cu m of mud from affected areas.

"This will be one of the largest reclamations in the world," said Douglas Oakervee, project director of the provisional airport authority.

The massive construction equipment, imported from the United States and Germany, will make up 40 to 50 percent of the total equipment needed for the project.



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